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ICSC Shopping Center Operating Cost Analysis Report 1987

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International Council of Shopping Centers
New York

This study was conducted under the direction of the ICSC Research Department: John Chapman, Director of Research.

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The International Council of Shopping Centers (ICSC) is the trade association of the shopping center industry. ICSC is a not-for-profit organization with approximately 18,000 members worldwide. The principal aims of the ICSC are to assist its members in the development of their businesses through professional education, research, information, and action on their behalf on matters relating to legislation and regulation.

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General Information

Introduction

This is the second edition of ICSC's Shopping Center Operating Cost Analysis (SCOCA) Report. The first was published in late 1984. To provide updated information on a periodic basis, ICSC plans to undertake this survey every two years.

Purpose of the Report

This report seeks to provide shopping center managers—and others involved in the shopping center industry—with information on shopping center operating costs and characteristics. It is compiled from data supplied voluntarily by member companies on specific centers managed by them. As such, the report provides benchmarks of actual operating experience among the more than 900 centers included in the survey.

The data reported are not intended to serve as industry standards. Rather, they portray the range of current operating experience among participating centers and provide a basis for comparing a specific center with a sample of similar centers. The report is intended as one of a number of management tools to evaluate operating expenses and identify potential areas for improvement.

Changes From the First Edition

Based on comments from users of the first SCOCA report, several changes were made in this survey. Chief among them are

- **Separate Questionnaires for Strip Centers and Enclosed Malls.** To reflect the significant differences in operating characteristics and expense categories, separate questionnaires were prepared for strip centers and enclosed malls. Due to the small number of open malls responding to the first SCOCA survey, they were not included in this round.
- **Consistent Cost Measures.** To provide a consistent measure of comparison, all operating expenses are calculated as a cost per sq. ft. of total gross leasable area (GLA), including anchors. In instances where other measures are meaningful (parking lot maintenance & repair expenses per parking space, for example), they are reported separately.
- **More Information on Center Characteristics.** In this edition, more information on the physical, operating, management and marketing characteristics of shopping centers is included. The purpose in doing so is twofold: to provide broadly relevant information on trends in the industry and to provide users of the report with detailed information on the composition of the sample.

Because of these changes, the results reported here are not comparable with those in the previous edition.

Survey Procedure

In January 1986, letters soliciting participation in the operating cost survey were sent to the ICSC member companies (at that time about 3,900) in the U.S. and Canada that develop, own and/or manage shopping centers. Each company was asked to execute a Participation Agreement stating the number of questionnaires for strip centers and/or enclosed malls it was willing to complete. In late February, follow-up letters were sent to the companies that had not yet responded.

Questionnaires were mailed to participating companies in early March. Each company determined the specific centers to be surveyed. Companies were asked, however, to select centers representative of their overall management portfolio. Further, companies were asked to exclude unusual centers and those that had undergone renovation, expansion or other significant nonrecurring events during 1985.

Each questionnaire had two parts. Part I solicited information on the center's physical and operating characteristics. Part II solicited information on annual operating expenses for each major cost category and constituent line items.

To ensure confidentiality in the data provided, anonymous number-coded questionnaires were mailed upon completion to the accounting firm. Tear-off response cards naming the center and contact person were mailed to ICSC. The accounting firm thus had access to the data on individual centers but did not know to which center or company it applied. Conversely, ICSC was able to track the participating centers and companies without having access to the data on specific centers.

In total, 413 companies returned questionnaires with information on 1,090 centers. These were subjected to rigorous screening before being included in the final sample.

Checks for Errors and Completeness

The accounting firm subjected each questionnaire to a variety of checks for errors and completeness. Key among them were

- A check to ensure that data were provided for each major expense catgegory, that detailed line item expenses summed to the total for each major category, and that the totals for each major category summed to the total operating expense for the center.

- A check on center characteristics to determine whether key variables—anchor store GLA, total center GLA, common area and gross building area—conformed to survey definitions and were arithmetically consistent.

In instances where questionnaires met most but not all of the screening criteria, efforts were made to contact the company and resolve inconsistencies. In the end, just over 15 percent of the returned questionnaires were discarded from the analysis. The most common reason was the lack of expense data for one or more of the major categories. Data on 908 centers are included in the final sample: 866 in the U.S. and 42 in Canada.

Timeliness and Reliability of the Data

Operating expenses, by and large, reflect annual costs for the calendar year 1985. Eighty-five percent of the responses cover 1985, and the remainder cover the most recent 12-month period for which data were available. Vacancies were measured as of April 1, 1986, and include all unoccupied space, whether leases had been signed or not.

The centers included in the final sample are not a statistically reliable sample of all shopping centers. Based on the error checks and other measures of consistency, however, the data are believed to be broadly reflective of current shopping center operating characteristics and costs.

Sample Composition

Data on 866 U.S. shopping centers are included in the analysis: 648 strip centers and 218 enclosed malls. The distributions by type, size range and region are shown in Table 1.

Table 1. **Number of Centers by Size Range and Region**

		Size Range (Sq. Ft. Total GLA)			
Strip Centers	**Total**	Less Than 50,000	50,000-99,999	100,000-199,999	200,000 and Over
East	**60**	12	24	16	8
Midwest	**167**	33	59	60	15
South	**257**	73	88	83	13
West	**164**	45	53	53	13
TOTAL	**648**	163	224	212	49

		Size Range (Sq. Ft. Total GLA)			
Enclosed Malls	**Total**	Less Than 200,000	200,000-399,999	400,000-799,999	800,000 and Over
East	**38**	6	3	13	16
Midwest	**67**	19	16	17	15
South	**62**	11	17	13	21
West	**51**	6	7	20	18
TOTAL	**218**	42	43	63	70

Nearly 60 percent of reporting centers are located in suburban areas. The rest are in central cities and small towns. About 40 percent of the strip centers and 55 percent of the enclosed malls are more than 10 years old. Nearly 40 percent of the strip centers and almost half the enclosed malls have undergone some form of renovation/expansion since they first opened. Distributions by location, age and renovation/expansion activity are shown in Table 2.

Table 2. **Composition of the Sample**

	Strip Centers	Enclosed Malls
Location		
Central City	14%	18%
Suburban	58	59
Small Town	28	22
TOTAL	100%	100%
Age		
1 to 5 Years	31%	18%
6 to 10 Years	26	28
Over 10 Years	43	55
TOTAL	100%	100%
Renovation & Expansion		
Renovated Only	8%	12%
Expanded Only	17	21
Renovated & Expanded	13	20
No Renovation or Expansion	62	48
TOTAL*	100%	100%

*Note: Totals do not add due to rounding.

Organization of the Report

The sections that immediately follow contain additional information on the scope and content of the SCOCA survey:

- **Highlights of Principal Findings**—a narrative summary of key facts gleaned from the survey.
- **How to Use the Report**—a description of the statistical measures, table formats and general guidelines for using the report.
- **Worksheets**—blank forms and detailed instructions for assembling operating expense data on a specific center and putting them in a format compatible with the survey results.
- **Definitions**—a detailed description of the key terms and expense categories used in the analysis.

The results of the survey itself are presented in two major sections: one for strip centers and one for enclosed malls. Based on a statistical analysis completed by the accounting firm, size class is the most important determinant of cost differences, particularly among strip centers. For this reason, SCOCA results for strip centers and enclosed malls in the U.S. are grouped by size ranges.

For each type of center, a summary tabulation compares centers by size range, or class, and a separate section gives detailed information for each of four size class groupings. A description of the statistical measures and table formats can be found in the section, *How to Use the Report*.

Data on Canadian Centers

Forty-two Canadian enclosed malls participated in the survey. To avoid confusion regarding currency exchange rates, results for the Canadian malls are reported in a separate section. All dollar values are expressed in Canadian dollars. For two related reasons—the size of the sample and the apparent absence of significant cost differences by size class—all Canadian malls are included in a single grouping.

Due to the limited number of Canadian strip centers requesting questionnaires, Canadian strip centers were not included in the survey.

The results of the SCOCA survey provide a wide range of benchmarks on operating expenses and shopping center characteristics. The highlights of principal findings for centers in the U.S. are summarized here.

Cost Differences by Size Range

Based on statistical analyses, the size of the center is the most important determinant of cost differences, particularly among strip centers. These economies of scale are clearly illustrated in Table 3, which shows mean operating cost by size class.

Table 3. **Mean Operating Expense per Sq. Ft. of Total GLA Including Anchors**

		Size Range (Sq. Ft. Total GLA)			
Strip Centers	**Total Sample**	Less Than 50,000	50,000-99,999	100,000-199,999	200,000 and Over
Maintenance & Repair	**$0.40**	$0.55	$0.39	$0.31	$0.34
Common Area Utilities	**0.13**	0.18	0.12	0.10	0.10
General & Administrative & Marketing	**0.54**	0.82	0.51	0.39	0.42
Insurance	**0.15**	0.22	0.15	0.11	0.11
Taxes	**0.59**	0.68	0.59	0.51	0.57
TOTAL	**$1.81**	$2.46	$1.75	$1.44	$1.53
No. of Centers	**648**	163	224	212	49

		Size Range (Sq. Ft. Total GLA)			
Enclosed Malls	**Total Sample**	Less Than 200,000	200,000-399,999	400,000-799,999	800,000 and Over
Maintenance & Repair	**$0.70**	$0.90	$0.73	$0.61	$0.63
Common Area Utilities	**0.29**	0.46	0.28	0.26	0.22
General & Administrative	**0.58**	0.64	0.56	0.62	0.53
Marketing	**0.36**	0.60	0.38	0.29	0.28
Security	**0.16**	0.17	0.13	0.15	0.19
Insurance	**0.11**	0.11	0.11	0.10	0.10
Taxes	**0.66**	0.99	0.73	0.55	0.53
TOTAL*	**$2.86**	$3.89	$2.92	$2.57	$2.48
No. of Centers	**218**	42	43	63	70

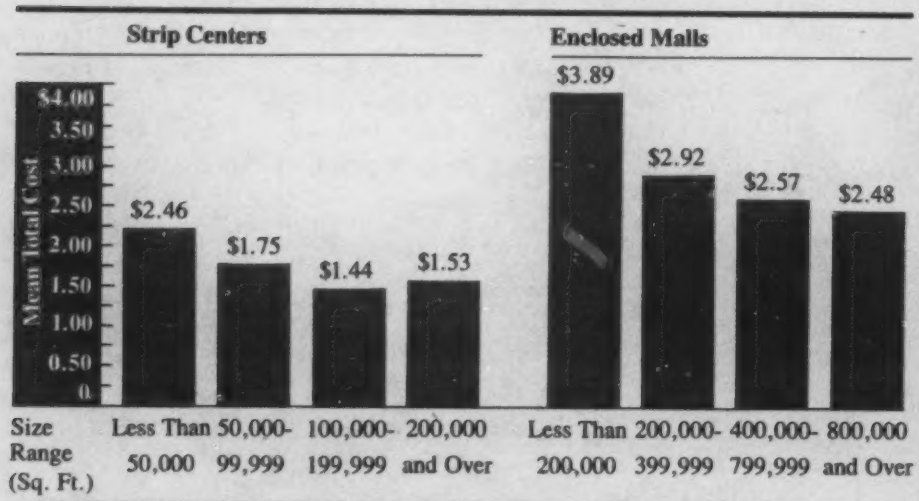
***Note:** Totals do not add due to rounding.

For strip centers under 50,000 sq. ft., the mean expense is $2.46 per sq. ft. of total GLA. This compares to $1.44 for centers between 100,000 and 200,000 sq. ft., a difference of 40 percent. Costs per sq. ft. drop in every major expense category but particularly in general & administrative and marketing.

The economies of scale diminish somewhat in strip centers over 200,000 sq. ft. in size. Mean expenses in this largest size class are about 6 percent higher than centers in the 100,000 to 200,000 sq. ft. range. Costs are marginally higher for maintenance & repair, general & administrative and marketing, and taxes.

These differences are attributable to several factors: large strip centers are often "flagship" operations maintained in prime condition; they tend to be somewhat older and are more often located in central cities where costs are higher.

Figure 1. **Mean Total Operating Cost per Sq. Ft. of Total GLA by Size Range**



Among enclosed malls, the economies of scale are more consistent. In going from the smallest to the largest malls, the mean operating cost drops from $3.89 to $2.48, a difference of 36 percent. Costs per sq. ft. go down in virtually every major category but particularly in common area utilities, marketing and taxes.

Eighty-five percent of the participating centers reported operating expenses for calendar year 1985. As a consequence, the costs do not reflect the recent increases in insurance premiums.

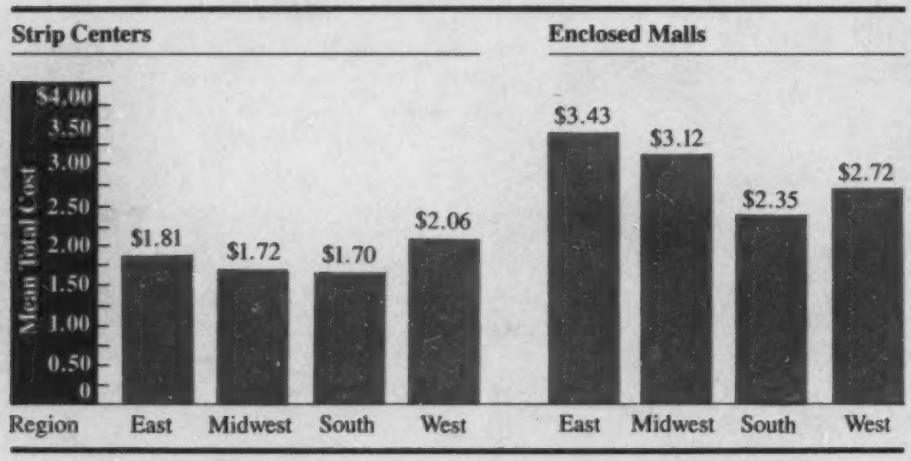
Regional Differences and Percentage Distributions

The age of the center and its geographic location have relatively little effect on strip center operating costs. The one exception to this is that strip center costs are higher in the West. There, expenses are greater in every major category but especially in maintenance & repair, and in utilities.

Size class is the single most important factor in cost differences among enclosed malls. Unlike strip centers, however, geographic region also plays a statistically significant role.

Operating costs are highest in the East: expenses are above average in every major category except general & administrative and in taxes. Costs are also higher than average in the Midwest, where taxes account for most of the difference. As might be expected, operating costs in the South are lower than elsewhere in the U.S.

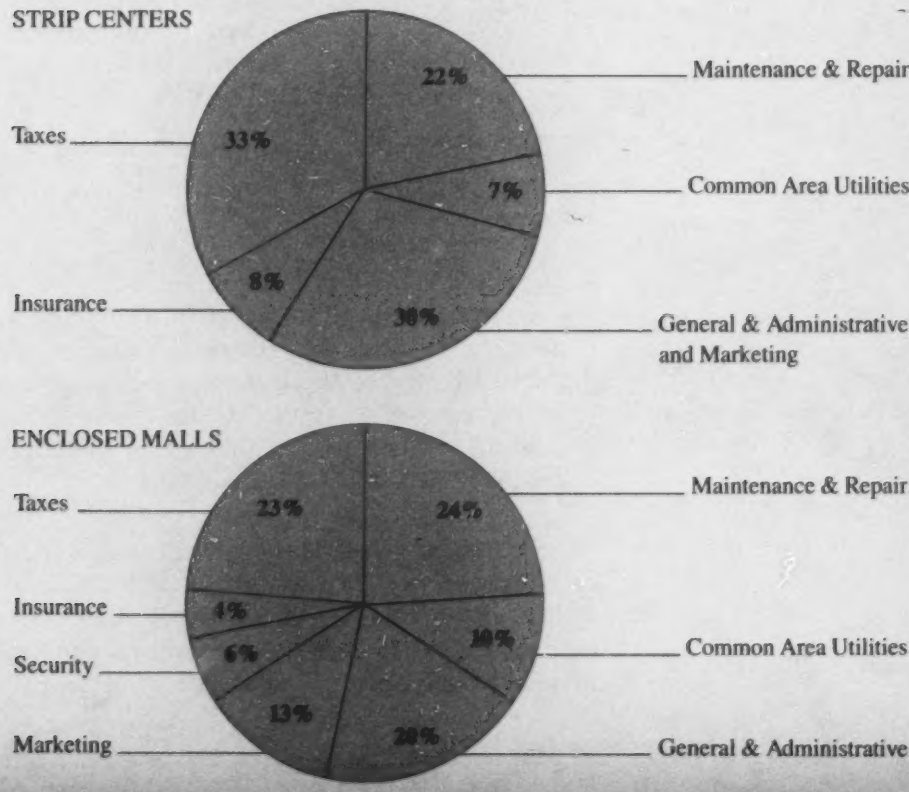
Figure 2. **Mean Total Operating Cost per Sq. Ft. of Total GLA by Region**



While there are clear differences in cost per sq. ft. by size class and region, the *percentage distribution* among major expense categories is remarkably consistent. They differ by no more than a few percentage points in most instances.

As shown in Figure 3, taxes account for about one-third of total strip center operating costs. General & administrative and marketing, followed by maintenance & repair, are the next two largest expense categories.

Figure 3. **Where the Operating Expense Dollar Goes**



Among enclosed malls, maintenance & repair, taxes and general & administrative expenses each account for 20 to 25 percent of total operating costs. Marketing and common area utilities are the next ranking cost centers.

Physical Characteristics

On an aggregate basis, anchor uses account for 55 percent of total GLA in both strip centers and enclosed malls. In strip centers over 200,000 sq. ft., this proportion drops to 48 percent. Among the largest enclosed malls, it increases to 60 percent. For purposes of this study, a store must account for at least 10 percent of a center's total GLA to be considered an anchor.

According to the survey definition, nearly half of the strip centers under 50,000 sq. ft. are not anchored. About 30 percent of the smallest enclosed malls also fit this description.

Table 4. **Center Characteristics**

		Size Range (Sq. Ft. Total GLA)			
Strip Centers	**Total Sample**	Less Than 50,000	50,000-99,999	100,000-199,999	200,000 and Over
Anchor Uses as Percent of Total GLA	**55%**	54%	57%	56%	48%
Unanchored Centers	**15%**	48%	5%	2%	8%
Vacancy Rate	**8%**	11%	8%	7%	7%
Centers Renovated/Expanded Since Opening	**38%**	23%	37%	44%	61%
Parking Spaces per 1,000 Sq. Ft. of Total GLA	**5.5**	5.5	5.9	5.2	5.2

		Size Range (Sq. Ft. Total GLA)			
Enclosed Malls	**Total Sample**	Less Than 200,000	200,000-399,999	400,000-799,999	800,000 and Over
Anchor Uses as Percent of Total GLA	**55%**	49%	52%	54%	60%
Unanchored Centers	**7%**	31%	2%	2%	0%
Vacancy Rate	**6%**	14%	5%	5%	2%
Centers Renovated/Expanded Since Opening	**52%**	21%	56%	54%	67%
Parking Spaces per 1,000 Sq. Ft. of Total GLA	**5.8**	6.5	5.9	5.7	5.3
Centers With Structured Parking	**10%**	11%	5%	11%	11%
Centers With Food Courts	**27%**	10%	12%	30%	43%

Vacancy rates are highest among the smaller centers and those that have been in operation for 5 years or less. The vacancy rate in strip centers under 50,000 sq. ft. averages 11 percent. Nearly half of these centers are unanchored. In contrast, vacancies in strip centers over 50,000 sq. ft. are in the 7 to 8 percent range. In strip centers that are 1 to 5 years old, the vacancy rate is 13 percent. Among such older centers, the vacancy rate is 6 percent.

Although the rates are generally lower, there is a similar pattern among enclosed malls. For malls less than 200,000 sq. ft. (one-third of which are not anchored), the vacancy rate is 14 percent. The largest malls—those over 800,000 sq. ft.—are 2 percent vacant. Malls that have been in operation for 5 years or less have a vacancy rate of 5 percent. Among older malls, the rate is 3 percent.

These vacancy data include all unoccupied space as of April 1, 1986, whether leases had been signed or not.

About 60 percent of the largest strip centers have undergone renovation/expansion since they first opened. Among the largest enclosed malls, the figure is even higher: two-thirds of the malls over 800,000 sq. ft. have been renovated/expanded. Overall, just under 40 percent of the strip centers and more than 50 percent of the enclosed malls have been renovated/expanded since they first opened.

Parking ratios average 5.5 spaces per 1,000 sq. ft. of total GLA in strip centers and 5.8 spaces in enclosed malls. The ratios are lower in the largest centers of each type. Ten percent of the enclosed malls include some type of structured parking.

Just over one-fourth of the enclosed malls have food courts. Among centers over 400,000 sq. ft., 30 to 40 percent include them. The average food court has 11 vendors, 5,300 sq. ft. of GLA and a seating capacity of 330.

Mall Management and Marketing

The average enclosed mall has 3 full-time, on-site management personnel. This ranges from an average of 1.4 persons in the smallest malls to just over 4 in the largest. Although the combinations vary, the positions include manager, assistant manager, marketing director, maintenance director, security director and bookkeeper/accountant.

Table 5. **Management and Marketing at Enclosed Malls**

		Size Range (Sq. Ft. Total GLA)			
Enclosed Malls	**Total Sample**	Less Than 200,000	200,000-399,999	400,000-799,999	800,000 and Over
Average No. of Full-time, On-site Management Personnel	**2.9**	1.4	2.3	3.4	4.2
Centers With Full-time Manager	**85%**	57%	81%	92%	97%
Centers With Full-time Marketing Director	**67%**	17%	42%	87%	94%
Centers With Merchants' Association	**70%**	60%	65%	74%	74%
Marketing Fund	**29%**	38%	35%	24%	24%
Neither One	**1%**	2%	0%	2%	1%
Mean Marketing Contribution per Sq. Ft. of Total GLA					
From Landlord	**$0.08**	$0.15	$0.06	$0.07	$0.06
From Tenants	**0.21**	0.25	0.22	0.20	0.20
TOTAL*	**$0.27**	$0.39	$0.27	$0.27	$0.26

*Note: Totals do not add due to rounding.

Among the largest malls, 95 percent or more have full-time managers, marketing directors and maintenance directors. At 85 percent of these centers, an on-site security director is the next most common full-time position. Just over one-half have assistant managers and bookkeepers/accountants.

With the increased emphasis on marketing, two-thirds of all enclosed malls have a full-time marketing director. Among malls under 200,000 sq. ft., nearly 20 percent have full-time staff directing the marketing effort.

Nearly 30 percent of all malls now have a marketing fund instead of a merchants' association. A marketing fund is most common in malls under 400,000 sq. ft.

Total contributions to the merchants' association or marketing fund average $0.27 per sq. ft. of total GLA. About one-fourth of the total is contributed by the landlord and the balance is secured from the retail tenants.

Tabulations providing more detail on these basic characteristics can be found in the sections on strip centers and enclosed malls.

How to Use the Report

The SCOCA report contains information in two basic areas: (1) operating expenses and (2) center characteristics. The operating expense data can be used as general industry benchmarks and as a basis for comparing operating expenses at a specific center to the SCOCA sample. Used in this latter way, the SCOCA report is one of a number of tools for identifying expense categories warranting further evaluation and scrutiny.

The data on center characteristics can be used for several purposes. In evaluating operating expenses, the characteristics of the center under scrutiny can be compared to the SCOCA sample to determine if there are reasonable explanations for cost variances. The data can also be used to compare the physical, operating, management and marketing characteristics of a specific center with those in the SCOCA sample to help determine whether changes are warranted. Finally, over time, the data can be used to track industry trends.

By using the worksheets in the following section, the expense data for any specific center can be compiled and readied for comparison with the SCOCA sample. For ease in making these comparisons, the table formats have been designed so that operating expenses can be transferred from the worksheets and entered directly on the table. The report can thus be used as a workbook or as a master for making multiple copies of the relevant pages.

Operating Expense Categories

Within the shopping center industry, there are wide differences in the charts of accounts used by management companies: differences in functional and natural accounting structures, major expense category headings and constituent line items.

For this survey, an effort was made to identify the most common major expense categories and the most significant line items within them. Detailed definitions were prepared to help ensure that all responses were consistent in the costs included. The structure of accounts for strip centers and enclosed malls is shown in Figure 4.

Figure 4. **Structure of Accounts**

Strip Centers	Enclosed Malls
Maintenance & Repair	**Maintenance & Repair**
Landscaping	Housekeeping
Parking Lot	Elevator/Escalator
Snow Removal	HVAC Equipment
Trash Removal	Landscaping
Roof Repair	Parking Lot
	Snow Removal
Common Area Utilities	Trash Removal
Electricity	Roof Repair
Other Utilities	
	Common Area Utilities
General & Administrative & Marketing	HVAC Energy
Professional Services	Other Utilities
Management Fee	
Leasing Fees	**General & Administrative**
Marketing	Professional Services
	On-site Payroll & Benefits
Insurance	Management Fee
Liability Insurance	Leasing Fees
Property Insurance	
Other Insurance	**Marketing**
	Advertising
Taxes	Promotions/Special Events
	Christmas Decor/Events
	Administrative
	Other Marketing Expenses
	Security
	Insurance
	Liability Insurance
	Property Insurance
	Other Insurance
	Taxes

Statistical Measures

Annual operating expenses for each major category and line item are computed as a cost per sq. ft. of total GLA including anchors. These computations are reported in two statistical measures:

- **The Mean**—This figure represents the arithmetic average among all centers reporting the expense. For each center, the reported annual expense was divided by the total GLA of the center to determine the cost per sq. ft. The sum of these figures was then divided by the number of centers reporting.

- **The Middle Range**—Half of all reporting centers have operating expenses within this range. The range is expressed in terms of two values: the lower quartile boundary and the upper quartile boundary. Twenty-five percent of the centers reported expenses below the lower quartile value; another 25 percent of the centers reported expenses above the upper quartile value. The remaining half fall somewhere in between.

  These quartile values were derived as follows: For each center, the reported annual expense was divided by the total GLA of the center to determine the cost per sq. ft; these costs were then arrayed in ascending sequential order. Depending on the number of centers in the sample, the array was divided into four equal groupings, each group representing 25 percent of the sample; the boundaries between the lower 25 percent and the upper 25 percent define the middle range.

  In many instances, the mean cost is very close to the upper boundary of the middle range; in others, the mean exceeds it. This is because very high expenses at some centers have a disproportionate effect on the mean.

Operating Expense Table Formats and Contents

The detailed data are presented by size class grouping for each type of center. Within each size class grouping, tables showing the detailed expense data are presented in five parts. The following examples and discussion illustrate the table formats and the measures included. These examples apply to strip centers between 50,000 and 99,999 sq. ft.

Part 1. Operating Expenses–Per Sq. Ft. of Total GLA

Item	Mean Amt.($)	Mean %	Middle Range($)	Your Center($)	Notes
Maintenance & Repair	$0.39	22%	$0.21 - 0.51	$_____	_____
Common Area Utilities	0.12	7	0.05 - 0.14	_____	_____
General & Administrative & Marketing	0.51	29	0.22 - 0.55	_____	_____
Insurance	0.15	8	0.08 - 0.19	_____	_____
Taxes	0.59	34	0.31 - 0.77	_____	_____
TOTAL	$1.75	100%	$1.08 - 2.07	$_____	_____

This table includes data from all centers in the SCOCA sample within this size range. It reports the cost per sq. ft. of total GLA for each major category and the total operating expense. For the sample mean, it shows the amount and the percentage distribution. Due to rounding, the figures for each major category do not always add up exactly to the total. The middle range is also shown and spaces for entering your center expenses are provided.

As illustrated, the mean total operating cost for strip centers between 50,000 and 99,999 sq. ft. is $1.75 per sq. ft. At half the centers in the SCOCA sample, the cost ranges somewhere between $1.08 and $2.07 per sq. ft.

Maintenance & repair expenses average $0.39 per sq. ft. and account for 22 percent of total operating expenses. Maintenance & repair expenses range from $0.21 to $0.51 per sq. ft. among half the centers. Since the middle range is computed separately for each major category, the figures do not add up to the total expense figures for the middle range.

Part 2. Regional Indices–Ratio to U.S. Mean

Item	East	Midwest	South	West
Maintenance & Repair	0.82	0.87	0.94	1.32
Common Area Utilities	1.00	0.79	0.88	1.28
General & Administrative & Marketing	0.93	0.81	1.04	1.18
Insurance	0.98	0.91	1.00	1.17
Taxes	1.05	1.14	0.92	0.95
TOTAL	1.00	0.95	0.94	1.14

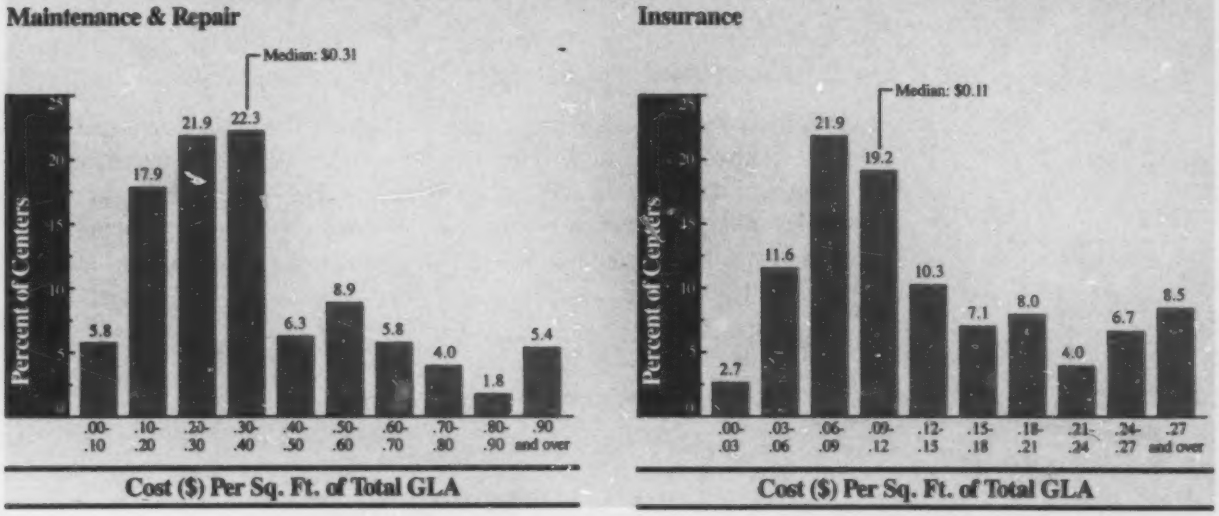
While size is the most important factor in operating cost differences, geographic region also plays a role. This table illustrates the regional differences in operating expenses for each major category.

The indices shown are rough benchmarks to indicate whether costs for a major expense category within a particular region generally run higher or lower than the U.S. average. For all strip centers and enclosed malls within each region, the mean cost for each major category was derived and then compared to the U.S. mean for all such centers. The result is expressed as a ratio between the regional mean and the U.S. mean.

As shown, the mean expense for maintenance & repair in the East is 0.82 (or 82 percent) of the U.S. mean. In the West, on the other hand, the mean maintenance & repair expense is 1.32 times the U.S. mean.

These ratios should not be considered absolute measures. Rather, they should only be used in a qualitative manner to indicate regional tendencies. In the example shown, the ratios indicate only that maintenance & repair expenses in the East are generally somewhat lower than the U.S. average; in the West, they are generally somewhat higher.

Part 3. Cost Distribution Among Centers in Sample



These charts, called histograms, pictorially show the distribution of cost per sq. ft. for maintenance & repair and insurance among the centers participating in the survey. There is a similar histogram for each major expense category.

For maintenance & repair, each bar indicates the percentage of centers reporting costs within the specified interval. There are 10 such intervals. Depending on the expense category and the range in costs, the intervals are different. In this particular instance, each interval is $0.10. The chart illustrates that most centers are clustered at the lower end of the range, with the largest single number reporting maintenance & repair costs between $0.30 and $0.40 per sq. ft.

Part 4. Line Item Expenses—Per Sq. Ft. of Total GLA

Item	No.	Mean($)	Middle Range($)	Your Center($)	Notes
Maintenance & Repair					
Landscaping	194	$0.08	$0.02 - 0.10	$_____	_____
Parking Lot	211	0.11	0.05 - 0.13	_____	_____
Snow Removal	102	0.06	0.01 - 0.09	_____	_____
Trash Removal	136	0.04	0.01 - 0.06	_____	_____
Roof Repair	143	0.04	0.01 - 0.04	_____	_____

In this table, data on important line items within the major expense categories are reported. These include the mean and middle range.

The line item data are not totally consistent with the costs for each major expense category in Part 1. This is because all the centers reporting expenses for a major

category didn't necessarily report expenses for each and every line item within it. The figures must be used with some caution and the number of centers reporting data for the line item are clearly stated in the column labeled "No."

As shown in this example, 194 of the 224 centers in this size class reported data on landscaping costs. Only 102 reported data on snow removal.

Line item data are considered reasonable benchmarks because the sample sizes are still relatively large. In most instances, two-thirds or more of the centers provided line item data. In all but a few others, at least half did. Line items for which less than half the centers responded tend to be line items in which many centers do not incur material expenses such as snow removal or leasing fees to outside agencies.

Part 5. Other Expense Measures

Item	No.	Mean($)	Middle Range($)	Your Center($)	Notes
Common Area Electricity per Parking Space	210	$17.08	$ 7.38 - 21.35	$_____	_____
Parking Lot Maintenance & Repair per Parking Space	207	21.40	9.90 - 25.78	_____	_____
Liability Insurance per Sq. Ft. of Center-owned GLA	134	0.09	0.04 - 0.09	_____	_____
Property Insurance per Sq. Ft. of Center-owned GLA	141	0.11	0.05 - 0.14	_____	_____
Taxes per Sq. Ft. of Center-owned GLA	223	0.63	0.35 - 0.81	_____	_____

To provide consistent measures of comparison, most expense calculations are reported as a cost per sq. ft. of total GLA. In this table, selected operating expenses are calculated in terms of a more relevant center variable. Common area electricity and parking lot maintenance & repair expenses are calculated as a cost per parking space. Insurance premiums and taxes are computed as a cost per sq. ft. of center-owned GLA. This measure has particular meaning in large centers where anchor stores own their own buildings and the centers pay only for the portion of the center they own.

Other Table Formats

In addition to the operating expense tables, two other tables provide information on center characteristics. Part 6 portrays the composition of the SCOCA sample. It shows the distribution by region, location, age and renovation/expansion activity since the center first opened.

Part 7 provides a variety of data on physical, operating, management and marketing characteristics: center anchors, parking ratios, hours of operation, vacancy rate, etc. In most instances, the value reported is the percentage of centers responding. In others, such as weekly hours of operation, it is the mean number among centers responding.

Suggested Steps for Evaluation

The SCOCA report cannot be used as the single diagnostic source for evaluating operating expenses. Rather, it is only one of a number of tools to identify expense categories that may warrant further scrutiny and evaluation. It can be used to pinpoint major expense categories and line items where costs are out of line with the SCOCA sample and savings may be possible. By the same token, the report can be used to identify expense categories where costs are substantially below the SCOCA sample and increased spending may be warranted.

Each center and each market area is unique. All the subtle differences cannot be taken into account in a survey of this nature. The SCOCA report provides benchmarks but they are nothing more than that. Only those involved in managing a specific center can determine whether the SCOCA benchmarks are applicable and whether there are legitimate reasons why expenses at that center may be substantially above or below the SCOCA sample.

In using the SCOCA report for benchmark comparisons, it is important to make sure that the data for expense categories and line items at your center correspond to the definitions used in the SCOCA survey. Use the worksheets in the following section and consult the *Definitions* section to ensure that your figures are comparable to those in the SCOCA report.

After completing the worksheets and transferring the data on your center to the SCOCA tables, the following evaluation steps are suggested:

- In Part 1, compare your center's cost for each major category and your total operating expense to the SCOCA mean. Are they close to, substantially above or substantially below the SCOCA mean?
- Compare the cost in your center to the SCOCA middle range. Does your cost fall comfortably within the range, or are there instances where the cost in your center exceeds the upper end of the middle range? This is probably the single most important comparison. If the cost at your center exceeds the upper end of the middle range, it means that your cost is higher than three-fourths of the centers in the SCOCA sample. It indicates a cost area warranting further scrutiny.
- Using the histogram in Part 3, identify the bar for the cost interval within which your center cost falls. Is this toward the upper or the lower end of the distribution? To get a more precise fix on how your center's cost compares to the SCOCA sample, you can add up the percentage figures printed on top of the bars to determine what proportion have costs lower than yours and what proportion have costs higher than yours.

Following these steps can help you identify major expense categories where your center's costs are out of line with the SCOCA sample. There are, of course, many possible explanations for cost differences. Operating expenses are affected by a wide range of factors, including geographic region, type of location, the age of the center and subsequent renovation. The SCOCA report can help pinpoint whether such characteristics in your center may explain cost deviations. Suggested steps are as follows:

- Consult the regional cost indices in Part 2. Does the cost in your region generally run higher or lower than the national average?
- Consult Part 6, Sample Composition. Costs tend to be higher in central cities, in older centers and those that haven't been renovated or expanded. In the SCOCA sample distribution, are centers with your location, age and renovation/ expansion characteristics over-represented or under-represented?

Similar procedures can be followed in evaluating detailed line items (Part 4) and other expense measures (Part 5). There are several possible sequences to evaluate line item costs from a variety of perspectives.

For example, you can compare your center's cost for parking lot maintenance & repair per sq. ft. of total GLA and per parking space to the SCOCA sample. If your center's costs are out of line, you can check Part 7 to see whether your parking ratios are higher than the SCOCA sample average.

If yours is a strip center, you can evaluate common area electricity cost per sq. ft. of GLA and per parking space. You can then check the parking lot lighting types in the SCOCA sample to determine whether you may be using a more costly type of illumination.

If your center is an enclosed mall, other comparisons can be made: (1) common area housekeeping and HVAC utility costs per sq. ft. of total GLA and of enclosed common area; (2) on-site management staff payroll and benefits per sq. ft. of GLA, the average number of on-site personnel and the types of full-time management positions; and (3) marketing costs per sq. ft. of total GLA and contributions from the landlord and retail stores.

These are but some of the many ways in which the SCOCA report can be used to make benchmark comparisons.

By using the worksheets, you can compile expense data on your center in a format compatible with the SCOCA sample. You can then transfer the data from these worksheets directly to the SCOCA expense tables to make your benchmark comparison.

Before starting, it is suggested that you make copies of the blank worksheets and SCOCA report expense tables and use the copies for computations and comparisons.

To ensure that the data for your centers are compatible with the SCOCA sample, consult the *Definitions* section when preparing the data for each major expense category and line item.

Worksheet for Major Expense Categories and Line Items

Depending on your type of center, use the worksheet for Strip Centers or Enclosed Malls. Then follow these steps:

1. Enter the total square footage of gross leasable area (GLA) including anchors at your center in the section, "Center Characteristics."
2. Enter the total annual operating expense at your center for each major category and line item in column 1 of the section, "Operating Expenses." Consult the *Definitions* section of the report to determine which specific expenses are included.
3. Check the arithmetic to ensure that the principal line items add up to the total expense for each major category, and that the totals for each major category add up to the total operating expense for the center.
4. Divide the annual operating expenses for each major category and line item (column 1) by the total GLA in your center. Round to the nearest whole cent and enter the result in column 2.
5. Transfer the cost per sq. ft. for each major expense category from the shaded area in column 2 of the worksheet to the column marked "Your Center" in Part 1 of the SCOCA expense table.
6. Transfer the cost per sq. ft. for each line item in column 2 of the worksheet to the column marked "Your Center" in Part 4 of the SCOCA expense table. Since some of the "other" line item expense categories on the worksheet include a grab bag of miscellaneous costs, they are not included in the SCOCA expense table.

Worksheet for Other Expense Measures

To complete this worksheet, follow these steps:

1. Enter the data for your center in the section, "Center Characteristics."
2. Transfer the line item data called for from column 1 of the "Worksheet for Major Expense Categories and Line Items" to column 1 of this worksheet.
3. Divide the annual operating expense for each line item in column 1 by the appropriate center characteristic. Round to the nearest whole cent and enter the result in column 2.
4. Transfer the data for each line item in column 2 of the worksheet to the column marked "Your Center" in Part 5 of the SCOCA expense table.

Strip Centers: Worksheet for Major Expense Categories and Line Items

Center Characteristics

Total GLA Including Anchors: _____ Sq. Ft.

Operating Expenses	**Expense** (Col. 1)	÷ **Total GLA**	=	**Cost per Sq. Ft.** (Col. 2)
Maintenance & Repair				
Landscaping	$_____			$_____
Parking Lot	_____			_____
Snow Removal	_____			_____
Trash Removal	_____			_____
Roof Repair	_____			_____
Other	_____			_____
Total	$_____			$_____
Common Area Utilities				
Electricity	$_____			$_____
Other Utilities	_____			_____
Total	$_____			$_____
General & Administrative & Marketing				
Professional Services	$_____			$_____
Management Fee	_____			_____
Leasing Fees	_____			_____
Marketing	_____			_____
Other	_____			_____
Total	$_____			$_____
Insurance				
Liability Insurance	$_____			$_____
Property Insurance	_____			_____
Other Insurance	_____			_____
Total	$_____			$_____
Taxes				
Total	$_____			$_____
Total Operating Expense	$_____			$_____

Strip Centers: Worksheet for Other Expense Measures

Center Characteristics

Total Number of Parking Spaces:_____

Center-owned GLA:_____Sq. Ft.

Operating Expenses	**Expense** (Col.1)	÷ **Divisor**	=	**Result** (Col. 2)
Common Area Electricity	$_____	Number of Parking Spaces		$_____
Parking Lot Maintenance & Repair	$_____	Number of Parking Spaces		$_____
Liability Insurance	$_____	Center-owned GLA		$_____
Property Insurance	$_____	Center-owned GLA		$_____
Taxes	$_____	Center-owned GLA		$_____

Enclosed Malls: Worksheet for Major Expense Categories and Line Items

Center Characteristics

Total GLA Including Anchors:_____Sq. Ft.

Operating Expenses	**Expense** (Col. 1)	÷ **Total GLA**	=	**Cost per Sq. Ft.** (Col. 2)
Maintenance & Repair				
Housekeeping	$_____			$_____
Elevator/Escalator	_____			_____
HVAC Equipment	_____			_____
Landscaping	_____			_____
Parking Lot	_____			_____
Snow Removal	_____			_____
Trash Removal	_____			_____
Roof Repair	_____			_____
Other	_____			_____
Total	$_____			$_____
Common Area Utilities				
HVAC Energy	_____			_____
Other Utilities	_____			_____
Total	$_____			$_____
General & Administrative				
Professional Services	$_____			$_____
On-site Payroll & Benefits	_____			_____
Management Fee	_____			_____
Leasing Fees	_____			_____
Other	_____			_____
Total	$_____			$_____

Operating Expenses	**Expense** (Col. 1)	÷ **Total GLA**	=	**Cost per Sq. Ft.** (Col. 2)
Marketing				
Advertising	$_____			$_____
Promotions/Special Events	_____			_____
Christmas Decor/Events	_____			_____
Administrative	_____			_____
Other	_____			_____
Total	$_____			$_____
Security				
Total	$_____			$_____
Insurance				
Liability Insurance	$_____			$_____
Property Insurance	_____			_____
Other Insurance	_____			_____
Total	$_____			$_____
Taxes				
Total	$_____			$_____
Total Operating Expenses	$_____			$_____

Enclosed Malls: Worksheet for Other Expense Measures

Center Characteristics

Total Enclosed Common Area: _____ Sq. Ft.

Total Number of Parking Spaces: _____

Total Center-owned GLA: _____ Sq. Ft.

Total Food Court GLA: _____ Sq. Ft.

Total GLA Including Anchors: _____ Sq. Ft.

Operating Expenses	Expense (Col. 1)	÷	Divisor	=	Result (Col. 2)
Housekeeping	$_____		Enclosed Common Area		$_____
HVAC Utilities	$_____		Enclosed Common Area		$_____
Parking Lot Maintenance & Repair	$_____		Number of Parking Spaces		$_____
Liability Insurance	$_____		Center-owned GLA		$_____
Property Insurance	$_____		Center-owned GLA		$_____
Taxes	$_____		Center-owned GLA		$_____
Food Court Expenses	$_____		Food Court GLA		$_____
Marketing Contribution by					
Landlord	$_____		Total GLA Including Anchors		$_____
Retail Stores	$_____				$_____
Total	$_____				$_____

Definitions

This section defines the key terms, expense categories and constituent line items used in the SCOCA study. Some terms apply only to enclosed malls; others apply to both strip centers and enclosed malls. Major expense categories and line items are defined separately for strip centers and enclosed malls.

Center Types

- **Strip Center:** A strip center consists of an attached row of retail stores, managed as a coherent retail entity, with on-site parking in front of the stores. Open canopies may connect the store fronts, but a strip center does not have enclosed walkways or malls linking the stores. A strip center may be configured in a straight line, or have an "L" or "U" shape.
- **Enclosed Mall:** An enclosed mall has a walkway or mall that is enclosed, heated and cooled, insulated and lighted. The mall corridor is flanked on one or both sides by store fronts and entrances. The configuration of the center may vary, but on-site parking is usually provided around the perimeter of the center.

Center Locations

- **Central City:** A central city of a metropolitan area, as designated by the U.S. Bureau of the Census.
- **Suburban:** A suburban jurisdiction within a metropolitan area, as designated by the U.S. Bureau of the Census.
- **Small Town:** A town outside a designated metropolitan area, with a population of less than 50,000.

Center Characteristics

- **Anchor Uses:** The stores and other uses that occupy the largest spaces in a center and serve as the primary traffic generators. For purposes of this study, an anchor must account for at least 10 percent of the center's total gross leasable area (GLA).
- **Free-standing Stores:** Store buildings on the site that are not physically connected to the shopping center but are owned and managed as part of the center.
- **Gross Leasable Area (GLA):** The total floor area designated for tenant occupancy and exclusive use, including any basements, mezzanines or upper floors, expressed in square feet and measured from the centerline of joint partitions and from outside wall faces. As used in this report, total GLA includes anchor uses and free-standing buildings on the site that are owned and managed as part of the center.
- **Enclosed Common Area:** Applied to enclosed malls and measured in square feet of floor area, it includes the mall, public restrooms, receiving and distribution facilities for the common use of tenants and other enclosed common areas.

- **Gross Building Area (GBA):** Applied to enclosed malls and measured in square feet, it includes all enclosed building floor areas, including basements and mezzanines, designated for rental to tenants, for exclusive use of the landlord, the mall, public restrooms, receiving and distribution facilities for the common use of tenants and other enclosed common areas.
- **Center-Owned GLA:** Measured in square feet, it includes the total GLA that is *actually owned* by the center. It does not include the GLA in buildings that are owned by anchor stores rather than leased from the center owner.
- **Vacant GLA:** Measured in square feet, it includes the total GLA that was not occupied as of April 1, 1986. It includes all unoccupied GLA on that date whether leases had been signed or not.
- **Food Court:** In enclosed malls, it is an area devoted to permanent vendor stalls offering a range of prepared foods for on-premises consumption and served by a common seating area. To be included in this survey, a food court had to include at least five vendors.

Strip Center Operating Expense Categories

The following are the major expense categories and constituent line items for strip centers.

- **Maintenance & Repair:** This major category includes all expenses related to the maintenance & repair of the shopping center. It includes the costs of payroll, employee benefits (taxes, workers' compensation, pension contributions, etc.), service contracts, and maintenance materials and supplies purchased for the center. It does not include major capital improvements or maintenance & repair services for the benefit of individual tenants and billed directly to the tenant. Line items are as follows:

  Landscaping—The cost of landscaping contracts, services of grounds keepers, and the normal replacement of trees, shrubs and flowers related to the exterior of the shopping center. It also covers the cost of center personnel, if any, performing these services.

  Parking Lot Cleaning/Sweeping/Repairs—All costs (payroll, benefits, materials, service contracts and supplies) incurred in the striping, repairing of potholes, cleaning and sweeping of the parking lot and service courts. It also includes all expenses incurred in the maintenance & repair of the parking lot sweeping equipment.

  Snow Removal—The cost of snow removal, salting or sanding of the parking lot. This account includes manpower, equipment and material provided by an outside contractor or by the center.

  Trash Removal—The cost of scavenger services, rental of dumpsters and compactors and any other equipment rental, services or labor related to removal of trash at the shopping center.

  Roof Repair—The cost of routine maintenance & repairs to the roof of the center. It does not include the cost of major capital improvements.

  Other—The cost of all other routine maintenance & repairs. This includes pest control and repairs to walls, sprinklers, electrical distribution systems, windows, etc.

- **Common Area Utilities:** This major category includes the cost of all utilities used in the common area of the center. It includes expenses for electricity, gas and oil related to the common area including exterior lighting. It does not include utilities purchased by the center and resold to individual tenants for consumption within their leased premises. Line items are as follows:

  Electricity—All electricity costs related to the common area of the center including exterior lighting.

  Other—All common area utility costs not included in the electricity account above.

- **General & Administrative and Marketing:** This major category covers all expenses related to the management, marketing and security of the shopping center, including staff, office supplies, office equipment rental expenses, management fees, leasing fees and commissions and professional services. Line items are as follows:

  Professional Services—The costs of legal and accounting services, architects, engineers and other professional fees not related to capital improvements. Expenses for real estate tax and insurance consultants are not included here.

  Management Fee—The fee, whether a flat fee or a percentage of gross receipts, charged to the center for management services provided by the management company.

  Leasing Fees and Commissions—The expenses incurred for commissions paid to an outside agency for securing tenants for the center.

  Marketing—All expenses related to marketing, advertising and promoting the center, including payroll and benefits.

  Other—All miscellaneous general & administrative expenses such as postage and telephone, office supplies, travel and entertainment, dues and subscriptions, provision for bad debts, etc., not included in the above line items.

- **Insurance:** This major category includes all premiums and costs incurred for insurance covering structures, public liability, rental value, equipment and bonding of employees. This includes the cost of an insurance consultant. Line items are as follows:

  Liability Insurance—The net premium cost of public liability insurance.

  Property Insurance—The net premium cost of property insurance.

  Other—The net premium costs for other types of insurance such as auto, boiler and machinery, bonding of employees, etc., and insurance consultants, if any.

- **Taxes:** This major category includes all taxes levied on the shopping center other than taxes based upon payroll or federal income taxes. It includes *ad valorem* real property taxes, personal property taxes, franchise taxes, the cost of a real estate tax consultant and associated legal fees, if any. There are no detailed line items.

Enclosed Mall Operating Expense Categories

The following are the major expense categories and constituent line items for enclosed malls.

- **Maintenance & Repair:** This major category includes all expenses related to the maintenance & repair of the shopping center. It includes the costs of payroll, employee benefits (taxes, workers' compensation, pension contributions, etc.), service contracts and maintenance materials and supplies purchased for the center. It does not include capital improvements or maintenance & repair services for the benefit of individual tenants and billed directly to the tenant. Line items are as follows:

  Housekeeping—The cost of janitorial services for the interior common area of the center whether performed by mall personnel or an outside service. For mall personnel, it includes payroll, employee benefits, materials and supplies. For outside service contracts, it includes time charges for labor and any charges for equipment use and maintenance supplies.

  Elevator/Escalator—The cost of services performed by mall personnel (payroll, benefits, materials and supplies) or of maintenance contracts for elevators, escalators and moving ramps. It also includes the cost of repairing or maintaining this equipment not covered by a warranty or included in a maintenance contract.

  HVAC Equipment—The cost of services performed by either mall personnel or outside service contractors for the maintenance & repair of the heating and air conditioning system in the common area of the center.

  Landscaping—The cost of landscaping contracts, services of grounds keepers, normal replacement of trees, shrubs, and flowers on the exterior and in the interior common area of the mall. It also covers the cost of mall personnel, if any, performing these services.

  Parking Lot Cleaning/Sweeping/Repairs—All costs (payroll, benefits, materials, service contracts and supplies) incurred in the striping, repairing of potholes, cleaning and sweeping of the parking lot and service courts. It also includes all expenses incurred in the maintenance & repair of the parking lot sweeping equipment.

  Snow Removal—The cost of snow removal from the building roof and parking lot and salting or sanding of the parking lot. It includes manpower, equipment and material provided by an outside contractor or by the center.

  Trash Removal—The cost of scavenger services, rental of dumpsters and compactors and any other equipment rental, services or labor related to removal of trash at the shopping center.

  Roof Repair—The cost of routine maintenance & repairs to the roof of the center. It does not include the cost of major capital improvements.

  Other—The cost of all other routine maintenance & repairs. This includes pest control and repairs to walls, sprinklers, electrical distribution systems, windows, etc.

- **Common Area Utilities:** This major category includes the cost of all utilities used in the common area of the center. It includes expenses for electricity, gas, oil, water, sewer and steam related to the interior common area, plus those for exterior lighting. It does not include utilities purchased by the center and resold to individual tenants for consumption within their leased premises. Line items are as follows:

  HVAC Energy—All utility costs related to heating, ventilating and air conditioning the interior common area of the center.

  Other—All other utility costs such as common area lighting, water, sewer and other utilities not included in the HVAC category above.

- **General & Administrative:** This major category includes all expenses related to the management of the shopping center, office staff, office supplies, office equipment rental expenses, management fees, leasing fees and commissions and professional services. Line items are as follows:

  Professional Services—The costs of legal and accounting services, architects, engineers and other professional fees not related to capital improvements. Expenses for real estate tax and insurance consultants are not included here.

  On-site Payroll and Benefits—All payroll and associated employee benefits related to mall personnel directly involved in the management of the shopping center. This includes the manager, assistant manager, secretary, bookkeeper and other on-site management staff.

  Management Fee—The fee, whether a flat fee or a percentage of gross receipts, charged to the center for management services provided by the management company.

  Leasing Fees and Commissions—The expenses incurred for commissions paid to an outside agency for securing tenants for the center.

  Other—All miscellaneous general & administrative expenses such as postage and telephone, office supplies, travel and entertainment, dues and subscriptions, provisions for bad debts, etc., not included in the line items above.

- **Marketing:** This major category includes all costs of marketing, advertising and promoting the center, including payroll and benefits. If applicable, these expenses are typically incurred by the merchants' association or marketing fund. Line items are as follows:

  Advertising—The cost of producing and placing advertising for the center in various print and broadcast media.

  Promotions/Special Events—The costs for producing special events and promotional activities within the center, except at Christmastime. It includes labor, decorations, signs, points-of-purchase materials, special entertainment, etc., attributable to such events.

Christmas Decor/Events—The cost for seasonal decor and special events during the Christmas season. It includes labor, decorations, signs, point-of-purchase materials, special entertainment, etc., attributable to the Christmas season.

Administrative—The cost of payroll, benefits, office supplies and rent, travel, bookkeeping and other administrative costs attributed to marketing.

Other—All other marketing expenses such as tenant training and motivation programs, brochures, etc., not included in the line items above.

- **Security:** This major category includes all costs associated with security at the center. These include payroll and employee benefits of mall-employed security personnel, the costs of contracted security services, equipment, uniforms and supplies attributable to the security function. There are no detailed line items.

- **Insurance:** This major category includes all premiums and costs incurred for insurance covering structures, public liability, rental value, equipment and bonding of employees. This includes the cost of an insurance consultant. Line items are as follows:

  Liability Insurance—The net premium cost of public liability insurance.

  Property Insurance—The net premium cost of property insurance.

  Other—The net premium costs for other types of insurance such as auto, boiler and machinery, bonding of employees, etc., and insurance consultants, if any.

- **Taxes:** This major category includes all taxes levied on the shopping center other than taxes based upon payroll or federal income taxes. It includes *ad valorem* real property taxes, personal property taxes, franchise taxes, the costs of a real estate tax consultant and associated legal fees, if any. There are no detailed line items.

- **Other Aggregations:** This category includes other miscellaneous aggregations that do not correspond to the overall structure of accounts outlined above. They are as follows:

  Food Court Expenses—All expenses specifically attributable to a food court operation and reimbursed by food court tenants above and beyond overall Common Area Maintenance (CAM) charges. These include: (1) housekeeping labor—the payroll and employee benefits associated with the janitorial function of the food court and (2) supplies/other—all costs for supplies and other miscellaneous expenses relating specifically to the food court.

  Merchants' Association/Marketing Fund Contributions—The total amount contributed by the landlord and the retail stores to the merchants' association or marketing fund for the center. This information may come from books kept by the merchants' association. It includes: (1) landlord contribution and (2) retail store contributions.

Strip Centers

Strip Centers: Total Sample

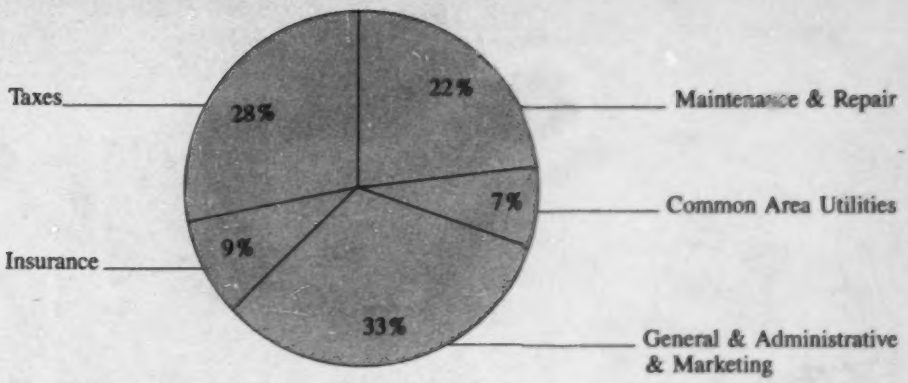
	Total Sample	Size Range (Sq. Ft. Total GLA) Less Than 50,000	50,000 - 99,999	100,000 - 199,999	200,000 and Over
No. of Centers	648	163	224	212	49
Region					
East	9%	7%	11%	8%	16%
Midwest	26	20	27	28	31
South	40	45	39	39	27
West	25	28	23	25	27
TOTAL	100%	100%	100%	100%	100%
Location					
Central City	14%	15%	12%	14%	24%
Suburban	58	62	58	53	67
Small Town	28	23	31	33	8
TOTAL	100%	100%	100%	100%	100%
Age					
1 to 5 Years	30%	45%	33%	20%	12%
6 to 10 Years	27	26	31	26	18
Over 10 Years	43	28	36	54	69
TOTAL	100%	100%	100%	100%	100%
Renovation & Expansion					
Renovated Only	8%	11%	6%	7%	12%
Expanded Only	17	6	21	22	18
Renovated & Expanded	13	6	10	16	31
No Renovation or Expansion	62	77	63	56	39
TOTAL	100%	100%	100%	100%	100%

	Total Sample	Size Range (Sq. Ft. Total GLA) Less Than 50,000	50,000 - 99,999	100,000 - 199,999	200,000 and Over
Operating Expenses (Mean Cost per Sq. Ft. of GLA)					
Maintenance & Repair	$0.40	$0.55	$0.39	$0.31	$0.34
Common Area Utilities	0.13	0.18	0.12	0.10	1.10
General & Administrative & Marketing	0.54	0.82	0.51	0.39	0.42
Insurance	0.15	0.22	0.15	0.11	0.11
Taxes	0.59	0.68	0.59	0.51	0.57
TOTAL	$1.81	$2.46	$1.75	$1.44	$1.53
Center Anchors Centers Anchored by:					
National Mass Merchandise Stores	4%	0%	3%	6%	12%
Conventional Department Stores	5%	0%	2%	9%	22%
Discount Department Stores	22%	2%	14%	42%	47%
Supermarkets	59%	23%	68%	75%	69%
Drug Stores	28%	21%	44%	23%	8%
Catalogue Showrooms	3%	1%	2%	5%	12%
Variety Stores	10%	7%	12%	10%	8%
Restaurants	5%	9%	6%	1%	0%
Movie Theaters	4%	0%	5%	4%	4%
Health & Racquet Clubs	2%	1%	3%	1%	0%
Other Types of Anchors	18%	18%	16%	23%	12%
Are Not Anchored	15%	48%	5%	2%	8%
Parking Characteristics					
Parking Spaces per 1,000 Sq. Ft. of Total GLA (Avg. No.)	5.5	5.5	5.9	5.2	5.2
Centers With Structured Parking	1%	1%	2%	0%	4%
Centers by Type of Parking Lot Lighting					
High Pressure Sodium	39%	38%	41%	37%	38%
Mercury Vapor	36%	34%	36%	37%	38%
Metal Halide	17%	14%	17%	18%	21%
Low Pressure Sodium	3%	4%	4%	3%	2%
Incandescent Bulbs	4%	10%	1%	4%	0%
Other	1%	1%	1%	1%	0%

	Total Sample	Size Range (Sq. Ft. Total GLA) Less Than 50,000	50,000 - 99,999	100,000 - 199,999	200,000 and Over
Operating Characteristics					
Anchor Uses as Percent of Total GLA	55%	54%	57%	56%	48%
Centers With Free-standing Stores	46%	25%	36%	63%	86%
Weekly Hours of Operation– Retail Stores (Avg. No.)	67	64	68	68	67
Vacancy Rate	8%	11%	8%	7%	7%
Centers With Merchants' Association	19%	6%	20%	23%	40%
Marketing Fund	7%	4%	7%	9%	10%
Neither One	74%	91%	73%	68%	50%
Centers Managed by Owner, Subsidiary or Affiliate	79%	81%	77%	81%	73%
Centers Leased by Owner, Subsidiary or Affiliate	79%	79%	77%	81%	76%
Centers Covered by Blanket Insurance Policy	72%	60%	73%	78%	76%

Strip Centers: Less Than 50,000 Sq. Ft.

(163 Centers in Sample)



Part 1. Operating Expenses–Per Sq. Ft. of Total GLA

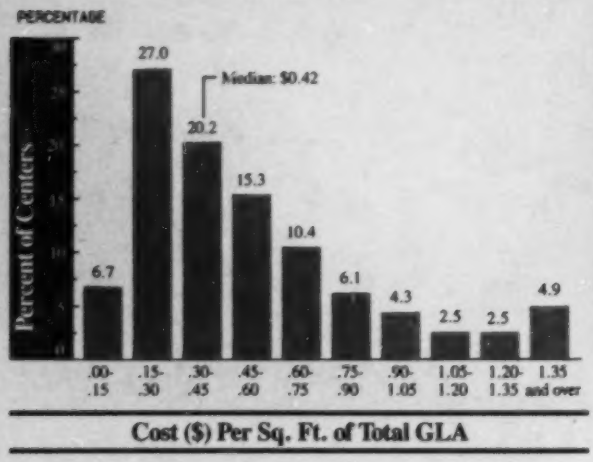
Item	Mean Amt.($)	Mean %	Middle Range($)	Your Center($)	Notes
Maintenance & Repair	$0.55	22%	$0.25 - 0.68	$_____	_____
Common Area Utilities	0.18	7	0.06 - 0.21	_____	_____
General & Administrative & Marketing	0.82	33	0.32 - 1.01	_____	_____
Insurance	0.22	9	0.11 - 0.29	_____	_____
Taxes	0.68	28	0.34 - 0.89	_____	_____
TOTAL	$2.46	100%	$1.39 - 2.86	$_____	_____

Part 2. Regional Indices–Ratio to U.S. Mean

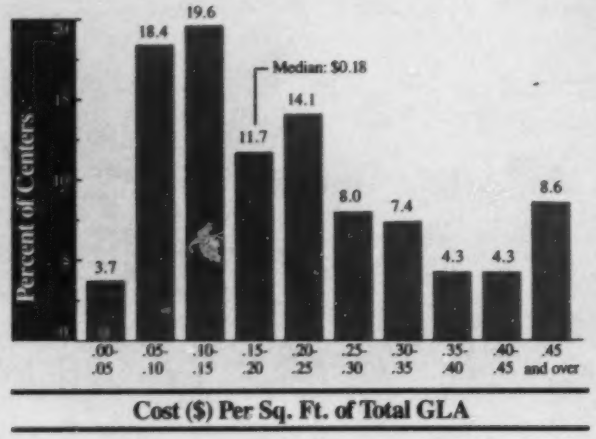
Item	East	Midwest	South	West
Maintenance & Repair	0.82	0.87	0.94	1.32
Common Area Utilities	1.00	0.79	0.88	1.28
General & Administrative & Marketing	0.93	0.81	1.04	1.18
Insurance	0.98	0.91	1.00	1.17
Taxes	1.05	1.14	0.92	0.95
TOTAL	1.00	0.95	0.94	1.14

Part 3. Cost Distribution Among Centers in Sample

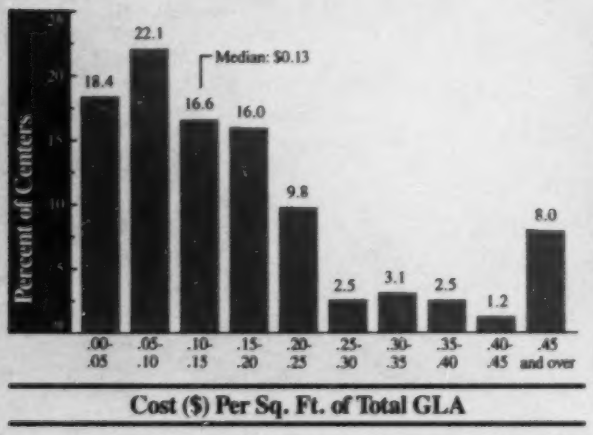
Maintenance & Repair



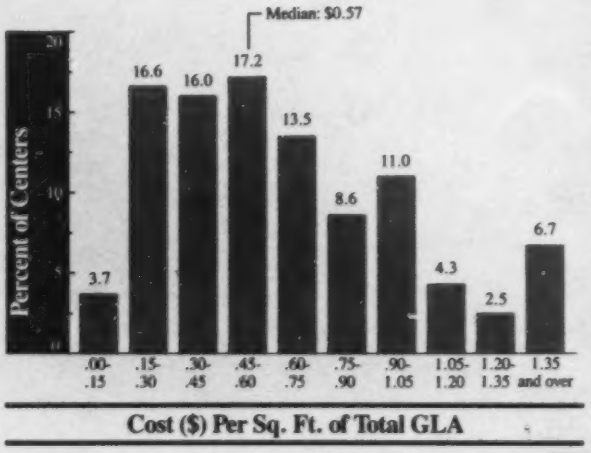
Insurance



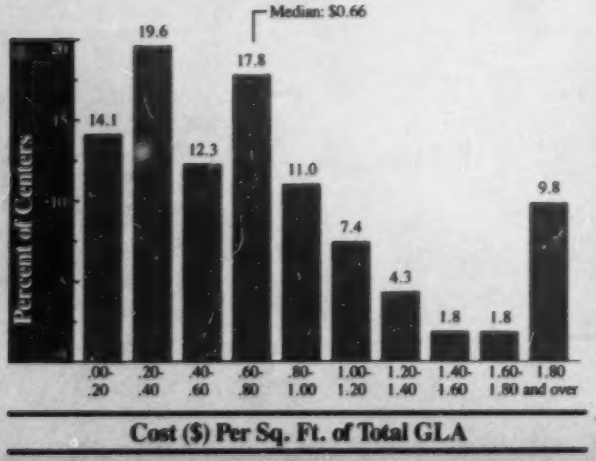
Common Area Utilities



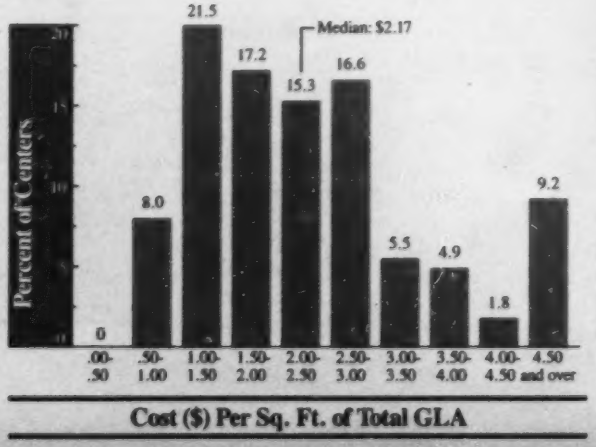
Taxes



General & Administrative & Marketing



Total



Part 4. Line Item Expenses—Per Sq. Ft. of Total GLA

Item	No.	Mean($)	Middle Range($)	Your Center($)	Notes
Maintenance & Repair					
Landscaping	148	$0.13	$0.04 - 0.16	$_____	_____
Parking Lot	151	0.13	0.05 - 0.18	_____	_____
Snow Removal	57	0.07	0.02 - 0.09	_____	_____
Trash Removal	105	0.09	0.02 - 0.12	_____	_____
Roof Repair	94	0.08	0.01 - 0.09	_____	_____
Common Area Utilities					
Electricity	155	0.12	0.05 - 0.15	_____	_____
Other Utilities	101	0.10	0.02 - 0.12	_____	_____
General & Administrative & Marketing					
Professional Services	141	0.15	0.03 - 0.15	_____	_____
Management Fee	150	0.36	0.19 - 0.46	_____	_____
Leasing Fees	105	0.40	0.09 - 0.45	_____	_____
Marketing	79	0.11	0.01 - 0.10	_____	_____
Insurance					
Liability Insurance	99	0.11	0.04 - 0.13	_____	_____
Property Insurance	105	0.16	0.07 - 0.21	_____	_____
Other Insurance	22	0.06	0.00 - 0.03	_____	_____

Part 5. Other Expense Measures

Item	No.	Mean($)	Middle Range($)	Your Center($)	Notes
Common Area Electricity per Parking Space	152	$26.58	$10.22 - 29.12	$_____	_____
Parking Lot Maintenance & Repair per Parking Space	148	25.47	9.85 - 34.48	_____	_____
Liability Insurance per Sq. Ft. of Center-owned GLA	97	0.11	0.04 - 0.13	_____	_____
Property Insurance per Sq. Ft. of Center-owned GLA	101	0.16	0.07 - 0.21	_____	_____
Taxes per Sq. Ft. of Center-owned GLA	156	0.70	0.36 - 0.89	_____	_____

Part 6. Sample Composition

Region	No.	%
East	12	7%
Midwest	33	20
South	73	45
West	45	28
TOTAL	163	100%

Location	No.	%
Central City	24	15%
Suburban	101	62
Small Town	37	23
TOTAL	163	100%

Age	No.	%
1 to 5 Years	74	45%
6 to 10 Years	43	26
Over 10 Years	46	28
TOTAL	163	100%

Renovation & Expansion	No.	%
Renovated Only	18	11%
Expanded Only	9	6
Renovated & Expanded	10	6
No Renovation or Expansion	126	77
TOTAL	163	100%

Part 7. Center Characteristics

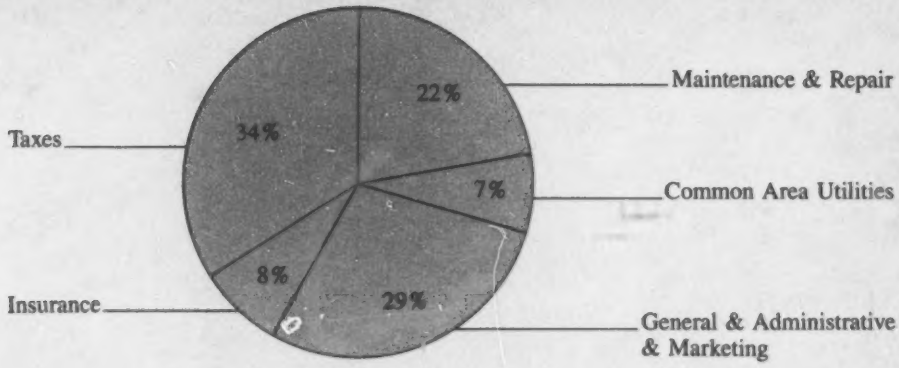
Center Anchors	Value
Centers Anchored by:	
National Mass Merchandise Stores	0%
Conventional Department Stores	0%
Discount Department Stores	2%
Supermarkets	23%
Drug Stores	21%
Catalogue Showrooms	1%
Variety Stores	7%
Restaurants	9%
Movie Theaters	0%
Health & Racquet Clubs	1%
Other Types of Anchors	18%
Are Not Anchored	48%

Parking Characteristics	Value
Parking Spaces per 1,000 Sq. Ft. of Total GLA (Avg. No.)	5.5
Centers With Structured Parking	1%
Centers by Type of Parking Lot Lighting	
High Pressure Sodium	38%
Mercury Vapor	34%
Metal Halide	14%
Low Pressure Sodium	4%
Incandescent Bulbs	10%
Other	1%

Operating Characteristics	Value
Anchor Uses as Percent of Total GLA	54%
Centers With Free-standing Stores	25%
Weekly Hours of Operation – Retail Stores (Avg. No.)	64
Vacancy Rate	11%
Centers With	
Merchants' Association	6%
Marketing Fund	4%
Neither One	91%
Centers Managed by Owner, Subsidiary or Affiliate	81%
Centers Leased by Owner, Subsidiary or Affiliate	79%
Centers Covered by Blanket Insurance Policy	60%

Strip Centers: 50,000–99,999 Sq. Ft.

(224 Centers in Sample)



Part 1. Operating Expenses–Per Sq. Ft. of Total GLA

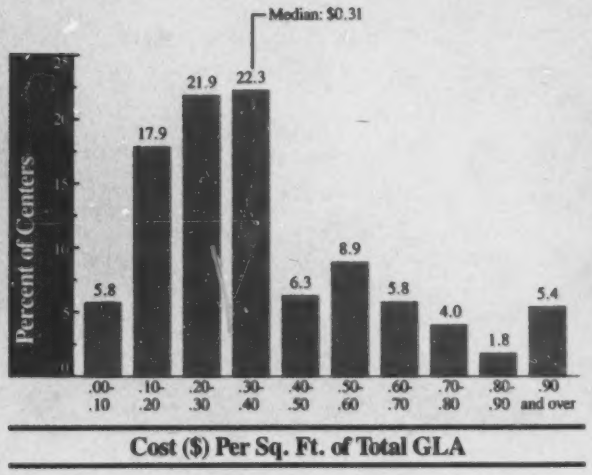
Item	Mean Amt.($)	Mean %	Middle Range($)	Your Center($)	Notes
Maintenance & Repair	$0.39	22%	$0.21 - 0.51	$_____	_____
Common Area Utilities	0.12	7	0.05 - 0.14	_____	_____
General & Administrative & Marketing	0.51	29	0.22 - 0.55	_____	_____
Insurance	0.15	8	0.08 - 0.19	_____	_____
Taxes	0.59	34	0.31 - 0.77	_____	_____
TOTAL	$1.75	100%	$1.08 - 2.07	$_____	_____

Part 2. Regional Indices–Ratio to U.S. Mean

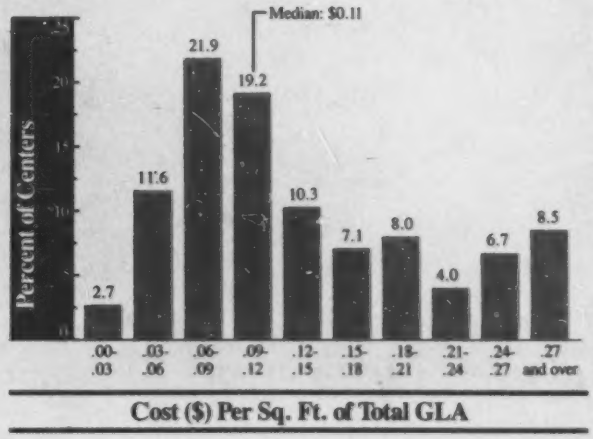
Item	East	Midwest	South	West
Maintenance & Repair	0.82	0.87	0.94	1.32
Common Area Utilities	1.00	0.79	0.88	1.28
General & Administrative & Marketing	0.93	0.81	1.04	1.18
Insurance	0.98	0.91	1.00	1.17
Taxes	1.05	1.14	0.92	0.95
TOTAL	1.00	0.95	0.94	1.14

Part 3. Cost Distribution Among Centers in Sample

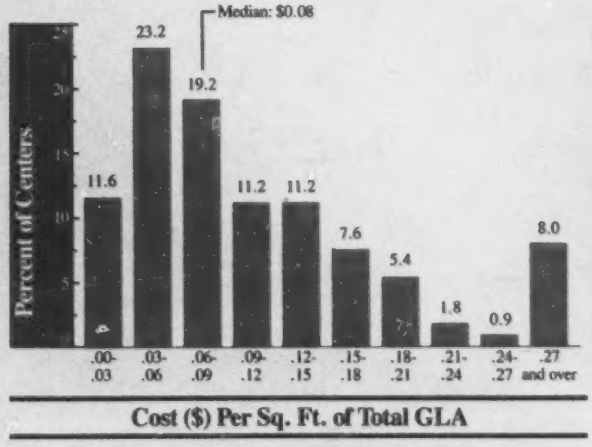
Maintenance & Repair



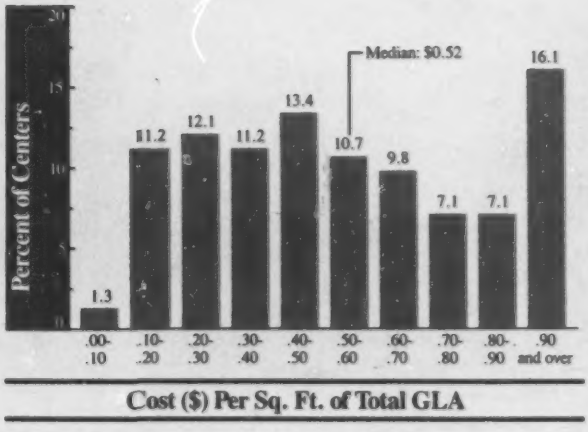
Insurance



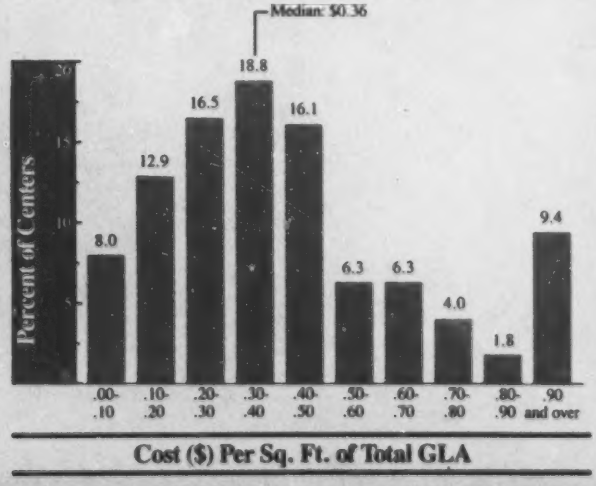
Common Area Utilities



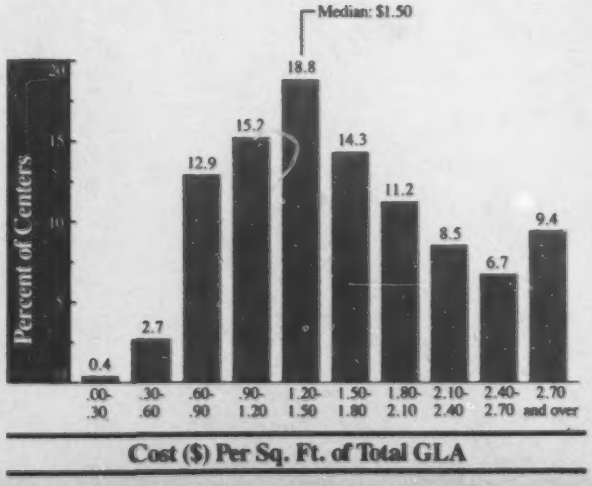
Taxes



General & Administrative & Marketing



Total



Part 4. Line Item Expenses—Per Sq. Ft. of Total GLA

Item	No.	Mean($)	Middle Range($)	Your Center($)	Notes
Maintenance & Repair					
Landscaping	194	$0.08	$0.02 - 0.10	$_____	_____
Parking Lot	211	0.11	0.05 - 0.13	_____	_____
Snow Removal	102	0.06	0.01 - 0.09	_____	_____
Trash Removal	136	0.04	0.01 - 0.06	_____	_____
Roof Repair	143	0.04	0.01 - 0.04	_____	_____
Common Area Utilities					
Electricity	214	0.09	0.04 - 0.12	_____	_____
Other Utilities	129	0.05	0.01 - 0.07	_____	_____
General & Administrative & Marketing					
Professional Services	191	0.06	0.02 - 0.08	_____	_____
Management Fee	203	0.25	0.15 - 0.30	_____	_____
Leasing Fees	129	0.18	0.03 - 0.18	_____	_____
Marketing	140	0.07	0.01 - 0.07	_____	_____
Insurance					
Liability Insurance	134	0.07	0.04 - 0.09	_____	_____
Property Insurance	142	0.10	0.05 - 0.12	_____	_____
Other Insurance	31	0.03	0.01 - 0.03	_____	_____

Part 5. Other Expense Measures

Item	No.	Mean($)	Middle Range($)	Your Center($)	Notes
Common Area Electricity per Parking Space	210	$17.08	$ 7.38 - 21.35	$_____	_____
Parking Lot Maintenance & Repair per Parking Space	207	21.40	9.90 - 25.78	_____	_____
Liability Insurance per Sq. Ft. of Center-owned GLA	134	0.09	0.04 - 0.09	_____	_____
Property Insurance per Sq. Ft. of Center-owned GLA	141	0.11	0.05 - 0.14	_____	_____
Taxes per Sq. Ft. of Center-owned GLA	223	0.63	0.35 - 0.81	_____	_____

Part 6. Sample Composition

Region	No.	%
East	24	11 %
Midwest	60	27
South	88	39
West	52	23
TOTAL	224	100 %

Location	No.	%
Central City	26	12 %
Suburban	129	58
Small Town	69	31
TOTAL	224	100 %

Age	No.	%
1 to 5 Years	73	33 %
6 to 10 Years	70	31
Over 10 Years	81	36
TOTAL	224	100 %

Renovation & Expansion	No.	%
Renovated Only	14	6 %
Expanded Only	46	21
Renovated & Expanded	23	10
No Renovation or Expansion	141	63
TOTAL	224	100 %

Part 7. Center Characteristics

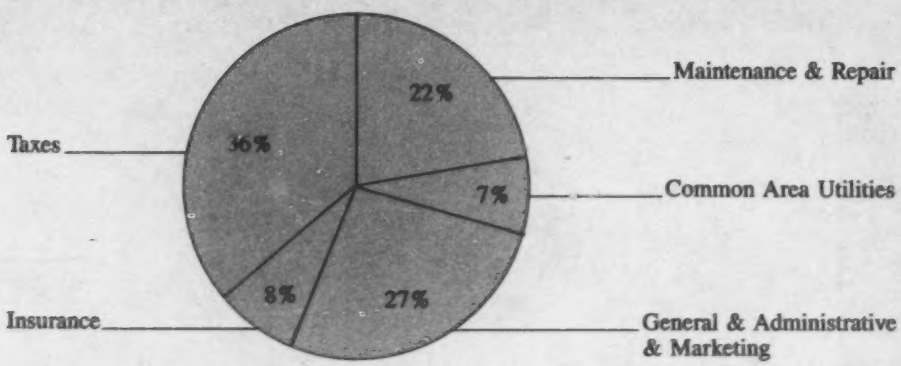
Center Anchors	Value
Centers Anchored by:	
National Mass Merchandise Stores	3%
Conventional Department Stores	2%
Discount Department Stores	14%
Supermarkets	68%
Drug Stores	44%
Catalogue Showrooms	2%
Variety Stores	12%
Restaurants	6%
Movie Theaters	5%
Health & Racquet Clubs	3%
Other Types of Anchors	16%
Are Not Anchored	5%

Parking Characteristics	Value
Parking Spaces per 1,000 Sq. Ft. of Total GLA (Avg. No.)	5.9
Centers With Structured Parking	2%
Centers by Type of Parking Lot Lighting	
High Pressure Sodium	41%
Mercury Vapor	36%
Metal Halide	17%
Low Pressure Sodium	4%
Incandescent Bulbs	1%
Other	1%

Operating Characteristics	Value
Anchor Uses as Percent of Total GLA	57%
Centers With Free-standing Stores	36%
Weekly Hours of Operation– Retail Stores (Avg. No.)	68
Vacancy Rate	8%
Centers With	
Merchants' Association	20%
Marketing Fund	7%
Neither One	73%
Centers Managed by Owner, Subsidiary or Affiliate	77%
Centers Leased by Owner, Subsidiary or Affiliate	77%
Centers Covered by Blanket Insurance Policy	73%

Strip Centers: 100,000–199,999 Sq. Ft.

(212 Centers in Sample)



Part 1. Operating Expenses–Per Sq. Ft. of Total GLA

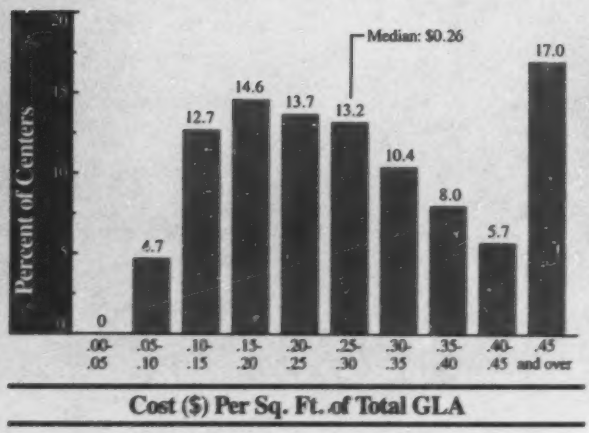
Item	Mean Amt.($)	Mean %	Middle Range($)	Your Center($)	Notes
Maintenance & Repair	$0.31	22%	$0.17 - 0.38	$_____	_____
Common Area Utilities	0.10	7	0.05 - 0.12	_____	_____
General & Administrative & Marketing	0.39	27	0.18 - 0.49	_____	_____
Insurance	0.11	8	0.07 - 0.14	_____	_____
Taxes	0.51	36	0.28 - 0.64	_____	_____
TOTAL	$1.44	100%	$0.95 - 1.68	$_____	_____

Part 2. Regional Indices–Ratio to U.S. Mean

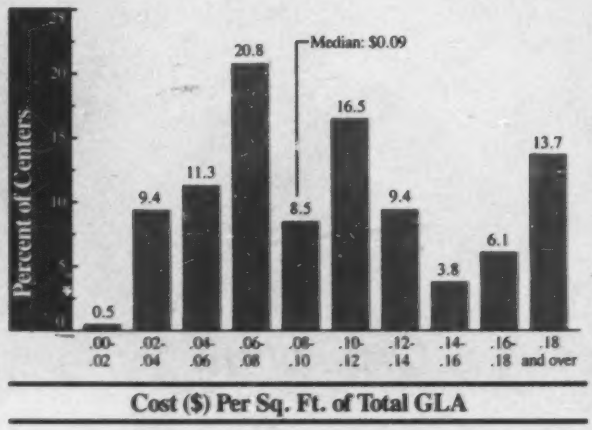
Item	East	Midwest	South	West
Maintenance & Repair	0.82	0.87	0.94	1.32
Common Area Utilities	1.00	0.79	0.88	1.28
General & Administrative & Marketing	0.93	0.81	1.04	1.18
Insurance	0.98	0.91	1.00	1.17
Taxes	1.05	1.14	0.92	0.95
TOTAL	1.00	0.95	0.94	1.14

Part 3. Cost Distribution Among Centers in Sample

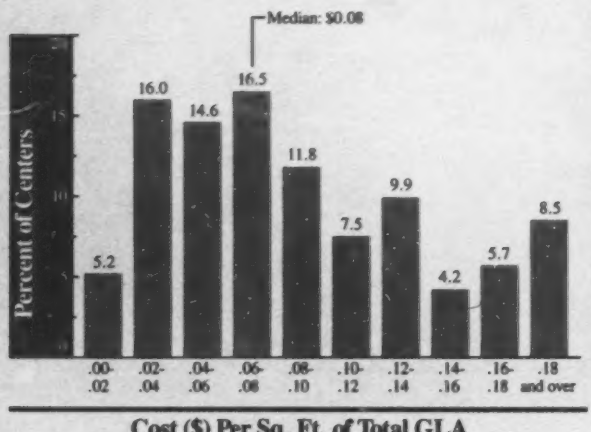
Maintenance & Repair



Insurance



Common Area Utilities



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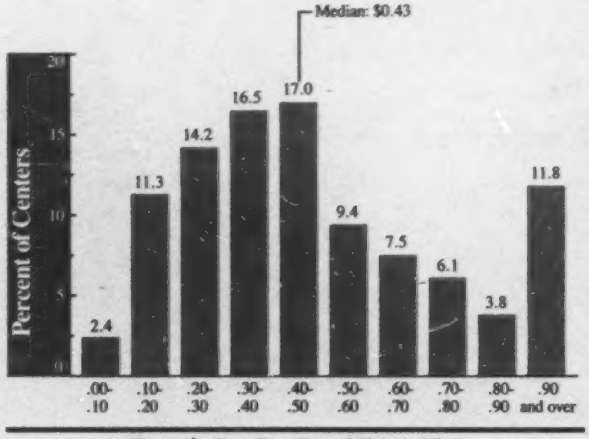
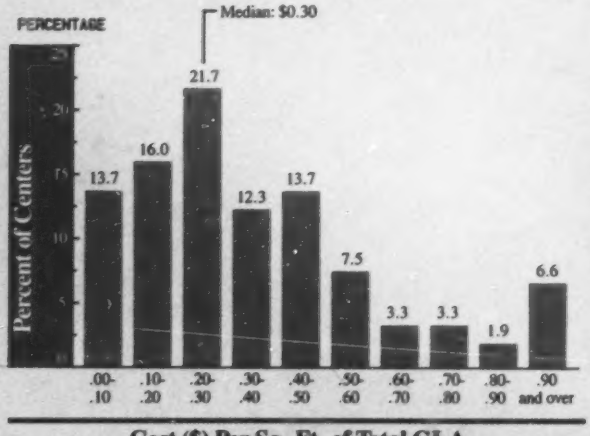


General & Administrative & Marketing



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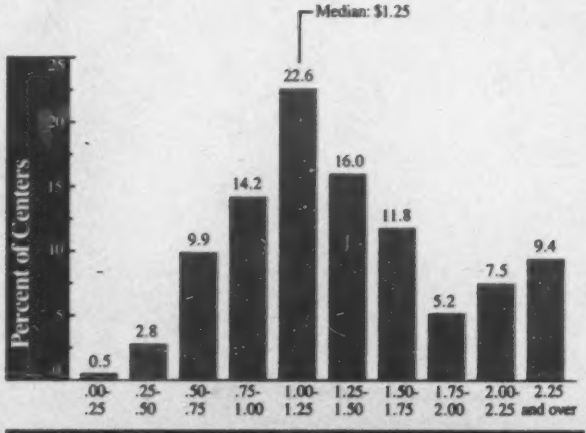


Part 4. Line Item Expenses—Per Sq. Ft. of Total GLA

Item	No.	Mean($)	Middle Range($)	Your Center($)	Notes
Maintenance & Repair					
Landscaping	172	$0.06	$0.02 - 0.08	$_____	_____
Parking Lot	189	0.09	0.04 - 0.12	_____	_____
Snow Removal	90	0.04	0.02 - 0.07	_____	_____
Trash Removal	130	0.03	0.00 - 0.04	_____	_____
Roof Repair	150	0.03	0.01 - 0.04	_____	_____
Common Area Utilities					
Electricity	183	0.08	0.04 - 0.09	_____	_____
Other Utilities	131	0.03	0.01 - 0.05	_____	_____
General & Administrative & Marketing					
Professional Services	181	0.05	0.01 - 0.07	_____	_____
Management Fee	176	0.22	0.13 - 0.29	_____	_____
Leasing Fees	119	0.14	0.02 - 0.12	_____	_____
Marketing	131	0.06	0.01 - 0.07	_____	_____
Insurance					
Liability Insurance	139	0.06	0.03 - 0.07	_____	_____
Property Insurance	149	0.07	0.03 - 0.09	_____	_____
Other Insurance	43	0.01	0.00 - 0.02	_____	_____

Part 5. Other Expense Measures

Item	No.	Mean($)	Middle Range($)	Your Center($)	Notes
Common Area Electricity per Parking Space	179	$19.17	$ 7.29 - 18.06	$_____	_____
Parking Lot Maintenance & Repair per Parking Space	185	18.08	8.41 - 23.91	_____	_____
Liability Insurance per Sq. Ft. of Center-owned GLA	138	0.10	0.03 - 0.08	_____	_____
Property Insurance per Sq. Ft. of Center-owned GLA	148	0.09	0.04 - 0.10	_____	_____
Taxes per Sq. Ft. of Center-owned GLA	205	0.63	0.31 - 0.73	_____	_____

Part 6. Sample Composition

Region	No.	%
East	16	8%
Midwest	60	28
South	83	39
West	53	25
TOTAL	212	100%

Location	No.	%
Central City	30	14%
Suburban	113	53
Small Town	69	33
TOTAL	212	100%

Age	No.	%
1 to 5 Years	42	20%
6 to 10 Years	55	26
Over 10 Years	115	54
TOTAL	212	100%

Renovation & Expansion	No.	%
Renovated Only	14	7%
Expanded Only	46	22
Renovated & Expanded	34	16
No Renovation or Expansion	118	56
TOTAL	212	100%

Part 7. Center Characteristics

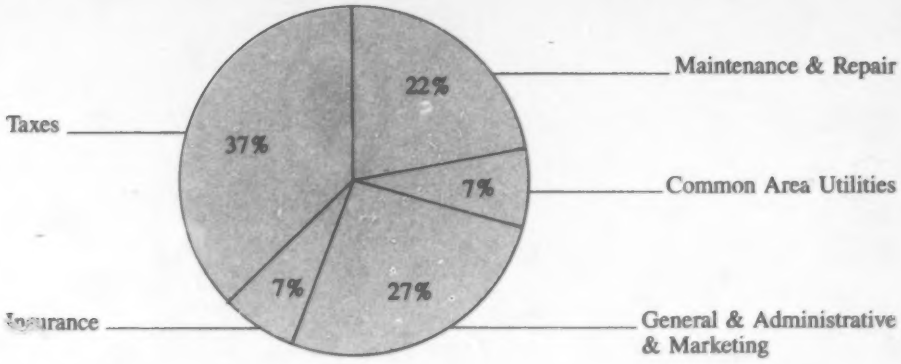
Center Anchors	Value
Centers Anchored by:	
National Mass Merchandise Stores	6%
Conventional Department Stores	9%
Discount Department Stores	42%
Supermarkets	75%
Drug Stores	23%
Catalogue Showrooms	5%
Variety Stores	10%
Restaurants	1%
Movie Theaters	4%
Health & Racquet Clubs	1%
Other Types of Anchors	23%
Are Not Anchored	2%

Parking Characteristics	Value
Parking Spaces per 1,000 Sq. Ft. of Total GLA (Avg. No.)	5.2
Centers With Structured Parking	0%
Centers by Type of Parking Lot Lighting	
High Pressure Sodium	37%
Mercury Vapor	37%
Metal Halide	18%
Low Pressure Sodium	3%
Incandescent Bulbs	4%
Other	1%

Operating Characteristics	Value
Anchor Uses as Percent of Total GLA	56%
Centers With Free-standing Stores	63%
Weekly Hours of Operation– Retail Stores (Avg. No.)	68
Vacancy Rate	7%
Centers With	
Merchants' Association	23%
Marketing Fund	9%
Neither One	68%
Centers Managed by Owner, Subsidiary or Affiliate	81%
Centers Leased by Owner, Subsidiary or Affiliate	81%
Centers Covered by Blanket Insurance Policy	78%

Strip Centers: 200,000 Sq. Ft. and Over

(49 Centers in Sample)



Part 1. Operating Expenses–Per Sq. Ft. of Total GLA

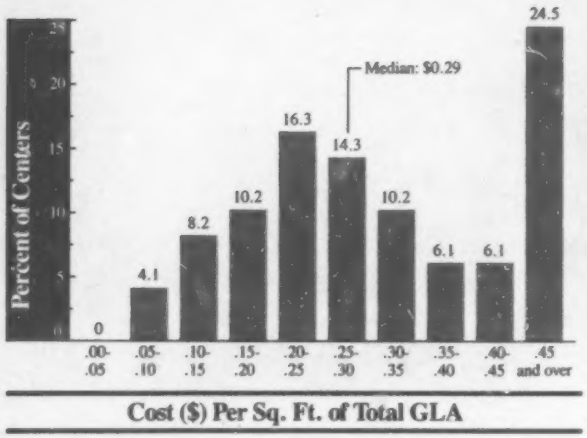
Item	Mean Amt.($)	Mean %	Middle Range($)	Your Center($)	Notes
Maintenance & Repair	$0.34	22%	$0.20 - 0.44	$_____	_____
Common Area Utilities	0.10	7	0.04 - 0.14	_____	_____
General & Administrative & Marketing	0.42	27	0.21 - 0.52	_____	_____
Insurance	0.11	7	0.06 - 0.13	_____	_____
Taxes	0.57	37	0.28 - 0.75	_____	_____
TOTAL	$1.53	100%	$1.00 - 1.88	$_____	_____

Part 2. Regional Indices–Ratio to U.S. Mean

Item	East	Midwest	South	West
Maintenance & Repair	0.82	0.87	0.94	1.32
Common Area Utilities	1.00	0.79	0.88	1.28
General & Administrative & Marketing	0.93	0.81	1.04	1.18
Insurance	0.98	0.91	1.00	1.17
Taxes	1.05	1.14	0.92	0.95
TOTAL	1.00	0.95	0.94	1.14

Part 3. Cost Distribution Among Centers in Sample

Maintenance & Repair



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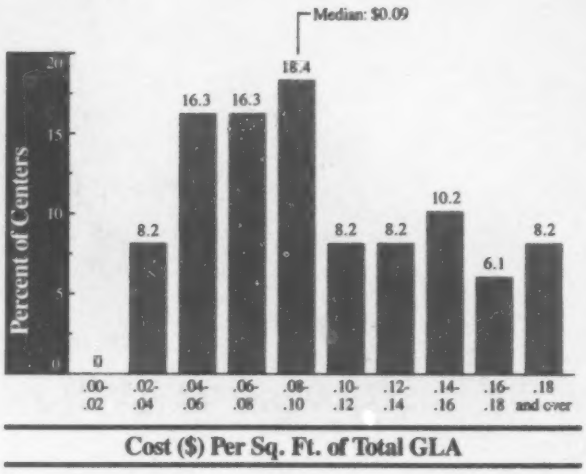
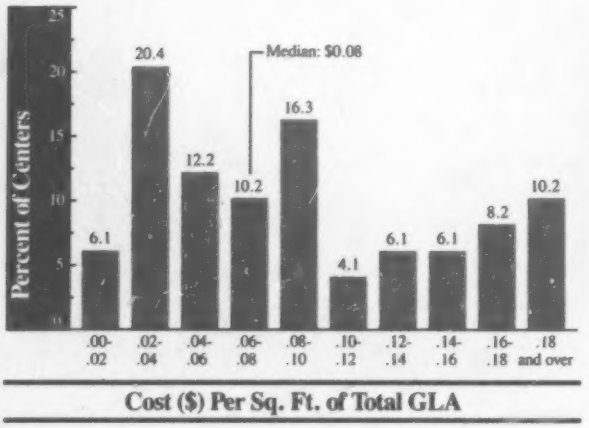
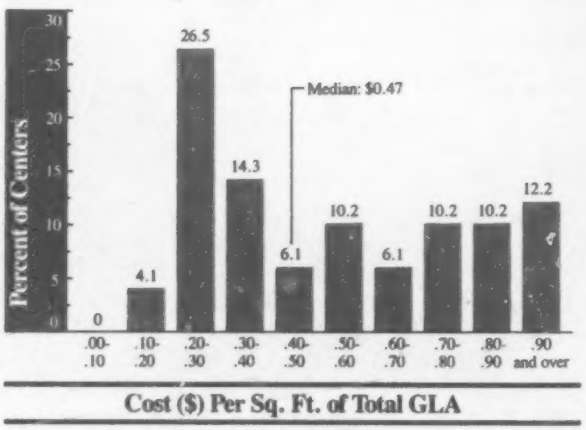


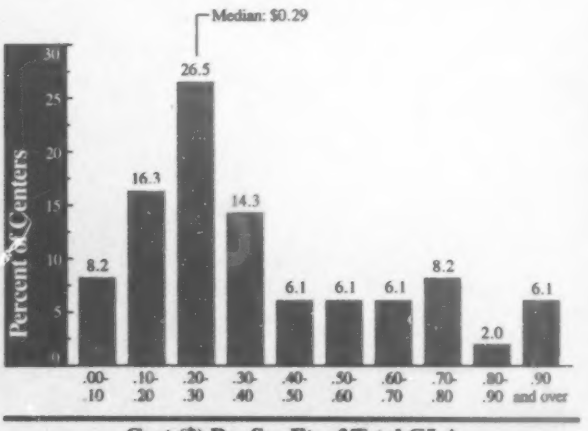
Common Area Utilities



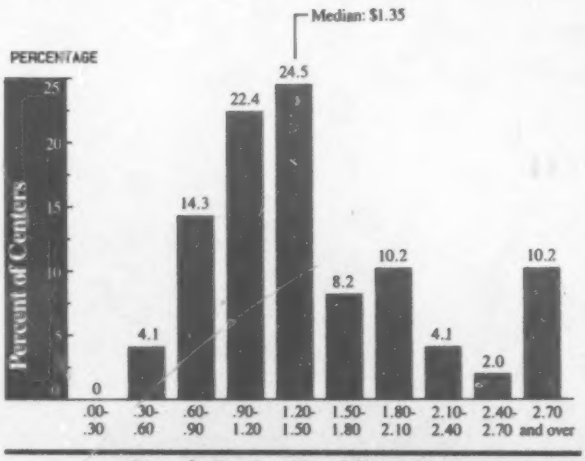
Taxes



General & Administrative & Marketing



Total



Part 4. Line Item Expenses–Per Sq. Ft. of Total GLA

Item	No.	Mean($)	Middle Range($)	Your Center($)	Notes
Maintenance & Repair					
Landscaping	45	$0.05	$0.01 - 0.06	$_____	_____
Parking Lot	49	0.10	0.04 - 0.13	_____	_____
Snow Removal	26	0.06	0.02 - 0.06	_____	_____
Trash Removal	36	0.02	0.00 - 0.02	_____	_____
Roof Repair	38	0.03	0.01 - 0.03	_____	_____
Common Area Utilities					
Electricity	45	0.09	0.04 - 0.11	_____	_____
Other Utilities	38	0.03	0.01 - 0.05	_____	_____
General & Administrative & Marketing					
Professional Services	48	0.06	0.01 - 0.06	_____	_____
Management Fee	41	0.21	0.13 - 0.26	_____	_____
Leasing Fees	35	0.10	0.02 - 0.10	_____	_____
Marketing	37	0.07	0.01 - 0.09	_____	_____
Insurance					
Liability Insurance	29	0.07	0.02 - 0.10	_____	_____
Property Insurance	32	0.05	0.03 - 0.07	_____	_____
Other Insurance	14	0.01	0.00 - 0.02	_____	_____

Part 5. Other Expense Measures

Item	No.	Mean($)	Middle Range($)	Your Center($)	Notes
Common Area Electricity per Parking Space	43	$16.02	$ 7.11 - 19.64	$_____	_____
Parking Lot Maintenance & Repair per Parking Space	47	21.41	7.00 - 27.50	_____	_____
Liability Insurance per Sq. Ft. of Center-owned GLA	29	0.09	0.02 - 0.10	_____	_____
Property Insurance per Sq. Ft. of Center-owned GLA	32	0.06	0.03 - 0.07	_____	_____
Taxes per Sq. Ft. of Center-owned GLA	49	0.65	0.30 - 0.91	_____	_____

Part 6. Sample Composition

Region	No.	%
East	8	16 %
Midwest	15	31
South	13	27
West	13	27
TOTAL	49	100 %

Location	No.	%
Central City	12	24 %
Suburban	33	67
Small Town	4	8
TOTAL	49	100 %

Age	No.	%
1 to 5 Years	6	12 %
6 to 10 Years	9	18
Over 10 Years	34	69
TOTAL	49	100 %

Renovation & Expansion	No.	%
Renovated Only	6	12 %
Expanded Only	9	18
Renovated & Expanded	15	31
No Renovation or Expansion	19	39
TOTAL	49	100 %

Part 7. Center Characteristics

Center Anchors	Value
Centers Anchored by:	
National Mass Merchandise Stores	12%
Conventional Department Stores	22%
Discount Department Stores	47%
Supermarkets	69%
Drug Stores	8%
Catalogue Showrooms	12%
Variety Stores	8%
Restaurants	0%
Movie Theaters	4%
Health & Racquet Clubs	0%
Other Types of Anchors	12%
Are Not Anchored	8%

Parking Characteristics	Value
Parking Spaces per 1,000 Sq. Ft. of Total GLA (Avg. No.)	5.2
Centers With Structured Parking	4%
Centers by Type of Parking Lot Lighting	
High Pressure Sodium	38%
Mercury Vapor	38%
Metal Halide	21%
Low Pressure Sodium	2%
Incandescent Bulbs	0%
Other	0%

Operating Characteristics	Value
Anchor Uses as Percent of Total GLA	48%
Centers With Free-standing Stores	86%
Weekly Hours of Operation – Retail Stores (Avg. No.)	67
Vacancy Rate	7%
Centers With	
Merchants' Association	40%
Marketing Fund	10%
Neither One	50%
Centers Managed by Owner, Subsidiary or Affiliate	73%
Centers Leased by Owner, Subsidiary or Affiliate	76%
Centers Covered by Blanket Insurance Policy	76%

Enclosed Malls

Enclosed Malls: Total Sample

	Total Sample	Size Range (Sq. Ft. Total GLA)			
		Less Than 200,000	200,000 - 399,999	400,000 - 799,999	800,000 and Over
No. of Centers	218	42	43	63	70
Region					
East	17%	14%	7%	21%	23%
Midwest	31	48	37	27	21
South	28	24	40	21	30
West	23	14	16	32	26
TOTAL	100%	100%	100%	100%	100%
Location					
Central City	18%	12%	16%	25%	17%
Suburban	59	45	40	59	80
Small Town	22	43	44	16	3
TOTAL	100%	100%	100%	100%	100%
Age					
1 to 5 Years	18%	43%	14%	11%	11%
6 to 10 Years	28	36	30	27	21
Over 10 Years	55	21	56	62	67
TOTAL	100%	100%	100%	100%	100%
Renovation & Expansion					
Renovated Only	12%	7%	14%	19%	7%
Expanded Only	21	10	23	21	26
Renovated & Expanded	20	5	19	14	34
No Renovation or Expansion	48	79	44	46	33
TOTAL	100%	100%	100%	100%	100%

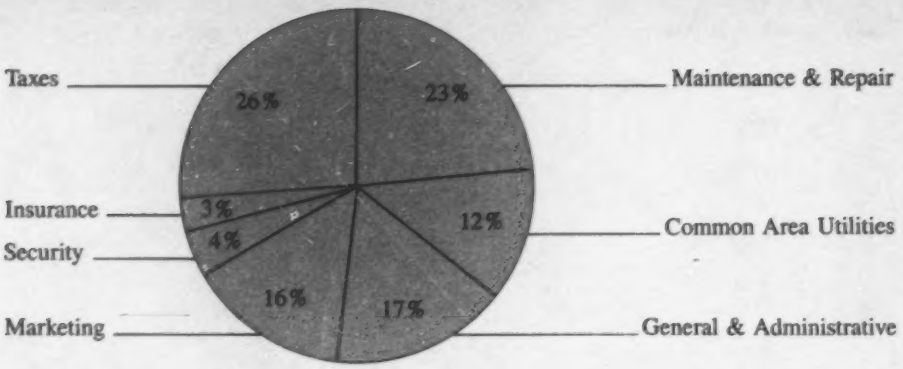
	Total Sample	Size Range (Sq. Ft. Total GLA) Less Than 200,000	200,000 - 399,999	400,000 - 799,999	800,000 and Over
Operating Expenses (Mean Cost per Sq. Ft. GLA)					
Maintenance & Repair	$0.70	$0.90	$0.73	$0.61	$0.63
Common Area Utilities	0.29	0.46	0.28	0.26	0.22
General & Administrative	0.58	0.64	0.56	0.62	0.53
Marketing	0.36	0.60	0.38	0.29	0.28
Security	0.16	0.17	0.13	0.15	0.19
Insurance	0.11	0.11	0.11	0.10	0.10
Taxes	0.66	0.99	0.73	0.55	0.53
TOTAL	$2.86	$3.89	$2.92	$2.57	$2.48
Center Anchors Centers Anchored by:					
National Mass Merchandise Stores	70%	24%	56%	86%	93%
Conventional Department Stores	55%	5%	35%	67%	86%
Fashion Department Stores	8%	0%	7%	5%	17%
Discount Department Stores	19%	31%	49%	10%	1%
Other Types of Anchors	28%	57%	44%	16%	10%
Are Not Anchored	7%	31%	2%	2%	0%
Merchandise Orientation					
Traditional General Merchandise	75%	57%	79%	83%	78%
Fashion-Oriented	15%	7%	10%	16%	22%
Discount	2%	7%	2%	2%	0%
Off-Price/Factory Outlet	6%	17%	10%	0%	0%
Festival/Theme	0%	2%	0%	0%	0%
Other	2%	10%	0%	0%	0%

	Total Sample	Size Range (Sq. Ft. Total GLA) Less Than 200,000	200,000 - 399,999	400,000 - 799,999	800,000 and Over
Operating Characteristics					
Anchor Uses as Percent of Total GLA	55%	49%	52%	54%	60%
Building Efficiency (Avg. GLA as Percent of GBA)	86%	82%	87%	88%	88%
Number of Retail Levels					
One	73%	76%	91%	74%	53%
Two	23%	16%	5%	22%	42%
Three or More	5%	7%	4%	4%	4%
Centers With Free-standing Stores	48%	32%	56%	45%	59%
Weekly Hours of Operation (Avg. No.)	69	67	70	69	70
Vacancy Rate	6%	14%	5%	5%	2%
Parking Spaces per 1,000 Sq. Ft. GLA (Avg. No.)	5.8	6.5	5.9	5.7	5.3
Centers With Structured Parking	10%	11%	5%	11%	11%
Type of HVAC System					
Central Plant	26%	19%	16%	28%	37%
Package Systems	62%	70%	61%	57%	62%
Centers Covered by Blanket Insurance Policy	25%	45%	30%	18%	12%
Management Characteristics					
Centers Managed by Owner, Subsidiary or Affiliate	79%	76%	67%	89%	79%
Centers Leased by Owner, Subsidiary or Affiliate	78%	76%	67%	87%	77%
Centers With a Full-time, On-site Manager	85%	57%	81%	92%	97%
Assistant Manager	28%	19%	9%	19%	54%
Maintenance Director	77%	38%	65%	90%	96%
Security Director	52%	10%	21%	62%	87%
Bookkeeper/Accountant	42%	5%	40%	59%	51%
Mean Number of Full-time, On-site Management Personnel	2.9	1.4	2.3	3.4	4.2

	Total Sample	Size Range (Sq. Ft. Total GLA) Less Than 200,000	200,000 - 399,999	400,000 - 799,999	800,000 and Over
Marketing Characteristics					
Centers With					
Full-time Marketing Director	67%	17%	42%	87%	94%
Part-time Marketing Director	9%	12%	12%	10%	4%
Centers With					
Merchants' Association	70%	60%	65%	74%	74%
Marketing Fund	29%	38%	35%	24%	24%
Neither One	1%	2%	0%	2%	1%
Mean Marketing Contribution per Sq. Ft. of Total GLA From					
Landlord	$0.08	$0.15	$0.06	$0.07	$0.06
Retail Stores	$0.21	$0.25	$0.22	$0.20	$0.20
Total	$0.27	$0.39	$0.27	$0.27	$0.26
Food Court Characteristics					
Centers With Food Court	27%	10%	12%	30%	43%
Number of Vendors (Avg. No.)	11	8	7	11	13
Sq. Ft. GLA (Avg. No.)	5,296	3,986	4,063	4,988	8,485
Common Area Seating (Avg. No.)	332	212	191	254	417

Enclosed Malls: Less Than 200,000 Sq. Ft.

(42 Centers in Sample)



Part 1. Operating Expenses–Per Sq. Ft. of Total GLA

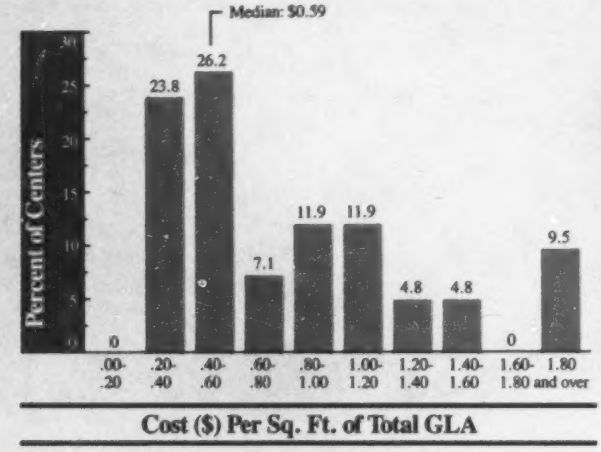
Item	Mean Amt.($)	Mean %	Middle Range($)	Your Center($)	Notes
Maintenance & Repair	$0.90	23%	$0.41 - 1.14	$_____	_____
Common Area Utilities	0.46	12	0.20 - 0.56	_____	_____
General & Administrative	0.64	17	0.30 - 0.73	_____	_____
Marketing	0.60	16	0.11 - 0.56	_____	_____
Security	0.17	4	0.00 - 0.18	_____	_____
Insurance	0.11	3	0.06 - 0.12	_____	_____
Taxes	0.99	26	0.50 - 1.32	_____	_____
TOTAL	$3.89	100%	$1.89 - 4.21	$_____	_____

Part 2. Regional Indices–Ratio to U.S. Mean

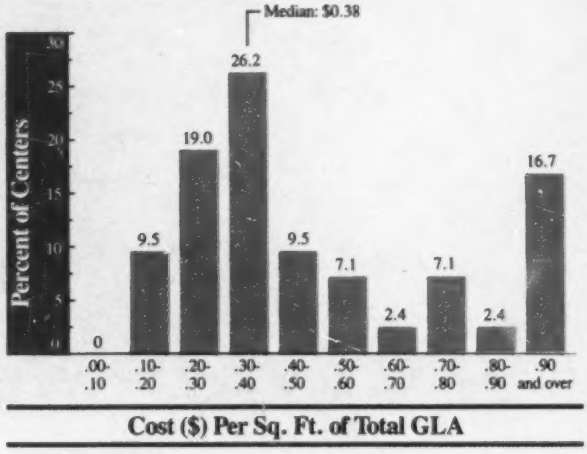
Item	East	Midwest	South	West
Maintenance & Repair	1.22	1.02	0.74	1.08
Common Area Utilities	1.23	1.01	0.86	1.00
General & Administrative	1.05	1.16	0.96	0.81
Marketing	1.52	0.85	0.88	1.01
Security	1.24	0.87	0.90	1.18
Insurance	1.29	0.78	0.83	1.14
Taxes	1.10	1.36	0.73	0.80
TOTAL	1.20	1.09	0.82	0.95

Part 3. Cost Distribution Among Centers in Sample

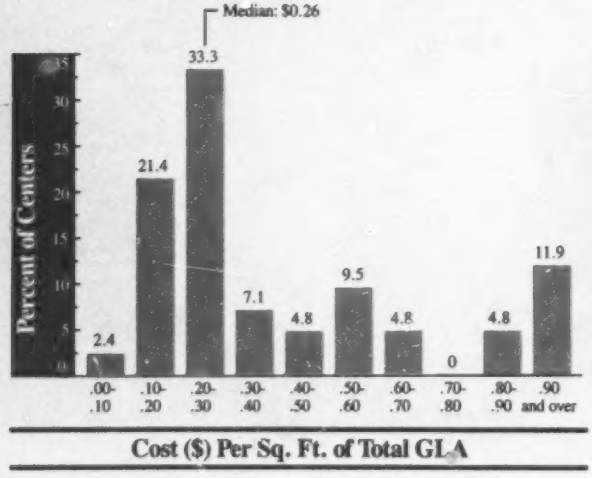
Maintenance & Repair



General & Administrative



Common Area Utilities



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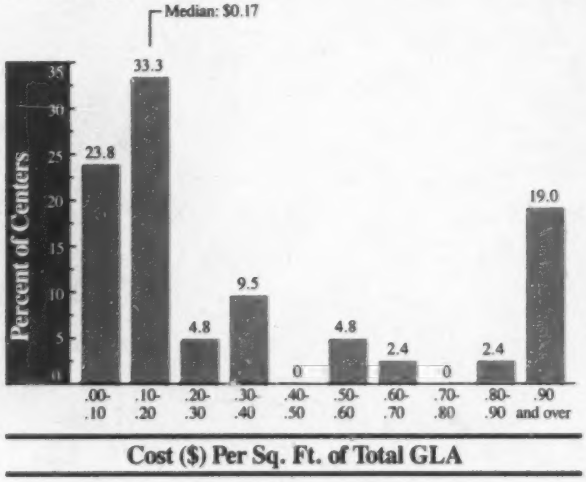
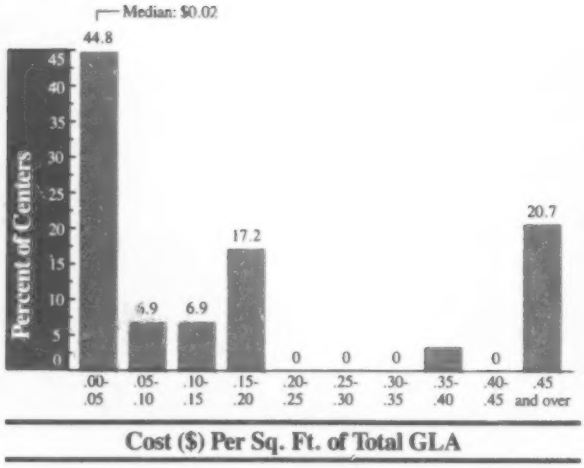
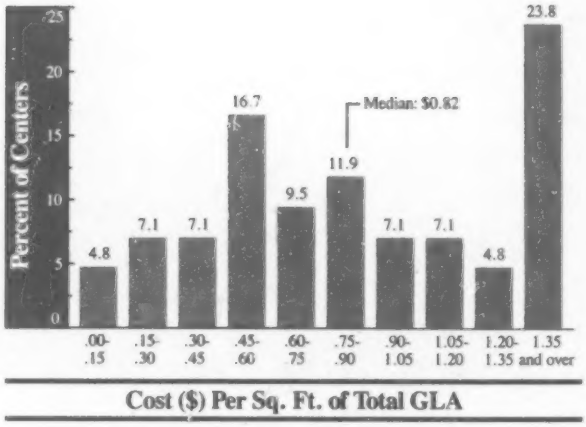


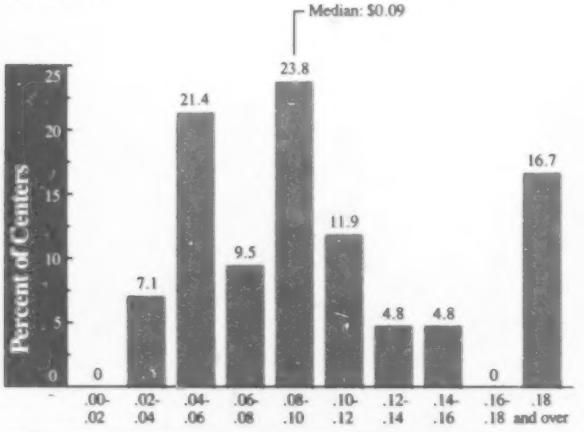
Security



Taxes



Insurance



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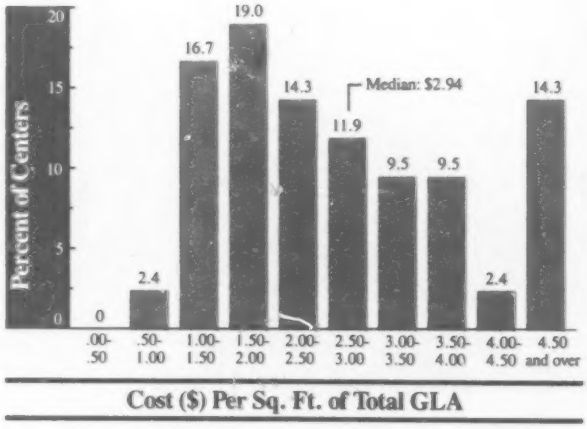


Part 4. Line Item Expenses—Per Sq. Ft. of Total GLA

Item	No.	Mean($)	Middle Range($)	Your Center($)	Notes
Maintenance & Repair					
Housekeeping	42	$0.36	$0.17 - 0.42	$_____	_____
Elevator/Escalator	9	0.12	0.01 - 0.19	_____	_____
HVAC Equipment	36	0.05	0.01 - 0.06	_____	_____
Landscaping	41	0.06	0.01 - 0.07	_____	_____
Parking Lot	39	0.09	0.04 - 0.11	_____	_____
Snow Removal	36	0.06	0.01 - 0.11	_____	_____
Trash Removal	37	0.05	0.00 - 0.08	_____	_____
Roof Repair	21	0.04	0.01 - 0.02	_____	_____
Common Area Utilities					
HVAC Energy	36	0.25	0.10 - 0.33	_____	_____
Other Utilities	37	0.16	0.01 - 0.20	_____	_____
General & Administrative					
Professional Services	25	0.08	0.02 - 0.13	_____	_____
On-site Payroll & Benefits	26	0.37	0.14 - 0.43	_____	_____
Management Fee	35	0.28	0.13 - 0.27	_____	_____
Leasing Fees	10	0.17	0.02 - 0.29	_____	_____
Marketing					
Advertising	37	0.43	0.08 - 0.29	_____	_____
Promotions/Special Events	28	0.12	0.02 - 0.10	_____	_____
Christmas Decor/Events	21	0.05	0.01 - 0.02	_____	_____
Administrative	19	0.20	0.01 - 0.18	_____	_____
Other Marketing Expenses	18	0.04	0.00 - 0.09	_____	_____
Insurance					
Liability Insurance	17	0.08	0.04 - 0.11	_____	_____
Property Insurance	23	0.06	0.03 - 0.09	_____	_____
Other Insurance	5	0.02	0.00 - 0.02	_____	_____

Part 5. Other Expense Measures

Item	No.	Mean($)	Middle Range($)	Your Center($)	Notes
Housekeeping Expenses per Sq. Ft. of Enclosed Common Area	42	$ 1.97	$1.10 - 2.65	$_____	_____
HVAC Utilities per Sq. Ft. of Enclosed Common Area	36	1.45	0.52 - 2.02	_____	_____
Parking Lot Maintenance & Repair per Parking Space	38	17.50	7.32 - 20.36	_____	_____
Liability Insurance per Sq. Ft. of Center-owned GLA	16	0.07	0.03 - 0.10	_____	_____
Property Insurance per Sq. Ft. of Center-owned GLA	22	0.06	0.03 - 0.09	_____	_____
Taxes per Sq. Ft. of Center-owned GLA	41	0.88	0.51 - 1.29	_____	_____
Food Court Expenses per Sq. Ft. of Food Court GLA	3	9.45	2.86 - 15.66	_____	_____
Marketing Contribution per Sq. Ft. of Total GLA From					
Landlord	33	0.15	0.00 - 0.03	_____	_____
Retail Stores	33	0.25	0.02 - 0.22	_____	_____
Total	34	0.39	0.04 - 0.30	_____	_____

Part 6. Sample Composition

Region	No.	%
East	6	14 %
Midwest	20	48
South	10	24
West	6	14
TOTAL	42	100 %

Location	No.	%
Central City	5	12 %
Suburban	19	45
Small Town	18	43
TOTAL	42	100 %

Age	No.	%
1 to 5 Years	18	43 %
6 to 10 Years	15	36
Over 10 Years	9	21
TOTAL	42	100 %

Renovation & Expansion	No.	%
Renovated Only	3	7 %
Expanded Only	4	10
Renovated & Expanded	2	5
No Renovation or Expansion	33	79
TOTAL	42	100 %

Part 7. Center Characteristics

Center Anchors	Value
Centers Anchored by:	
National Mass Merchandise Stores	24%
Conventional Department Stores	5%
Fashion Department Stores	0%
Discount Department Stores	31%
Other Types of Anchors	57%
Are Not Anchored	31%

Merchandise Orientation	Value
Traditional General Merchandise	57%
Fashion-Oriented	7%
Discount	7%
Off-Price/Factory Outlet	17%
Festival/Theme	2%
Other	10%

Management Characteristics	Value
Centers Managed by Owner, Subsidiary or Affiliate	76%
Centers Leased by Owner, Subsidiary or Affiliate	76%
Centers With a Full-time, On-site Manager	57%
Assistant Manager	19%
Maintenance Director	38%
Security Director	10%
Bookkeeper/Accountant	5%
Mean Number of Full-time On-site Management Personnel	1.4

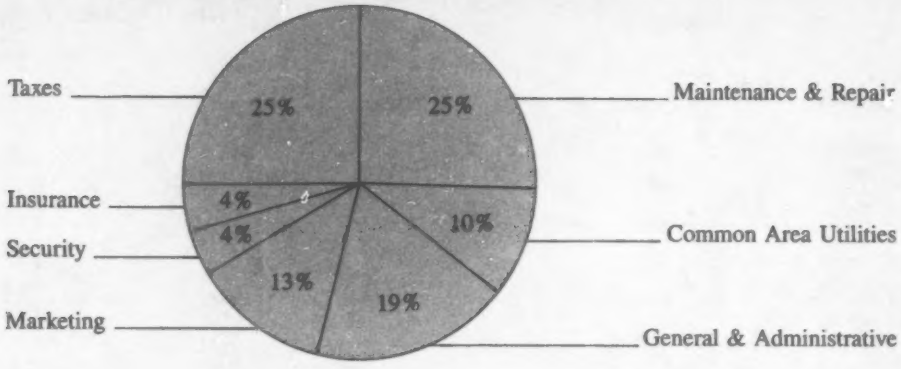
Operating Characteristics	Value
Anchor Uses as Percent of Total GLA	49%
Building Efficiency (Avg. GLA as Percent of GBA)	82%
Number of Retail Levels	
One	76%
Two	16%
Three or More	7%
Centers With Free-standing Stores	32%
Weekly Hours of Operation (Avg. No.)	67
Vacancy Rate	14%
Parking Spaces per 1,000 Sq. Ft. GLA (Avg. No.)	6.5
Centers With Structured Parking	11%
Type of HVAC System	
Central Plant	19%
Package Systems	70%
Centers Covered by Blanket Insurance Policy	45%

Marketing Characteristics	Value
Centers With	
Full-time Marketing Director	17%
Part-time Marketing Director	12%
Centers With	
Merchants' Association	60%
Marketing Fund	38%
Neither One	2%

Food Court Characteristics	Value
Centers With Food Court	10%
Number of Vendors (Avg. No.)	8
Sq. Ft. GLA (Avg. No.)	3,986
Common Area Seating (Avg. No.)	212

Enclosed Malls: 200,000–399,999 Sq. Ft.

(43 Centers in Sample)



Part 1. Operating Expenses–Per Sq. Ft. of Total GLA

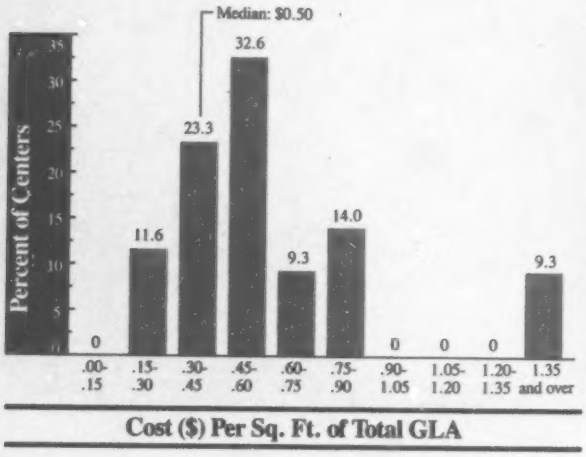
Item	Mean Amt.($)	Mean %	Middle Range($)	Your Center($)	Notes
Maintenance & Repair	$0.73	25%	$0.35 - 0.73	$_____	_____
Common Area Utilities	0.28	10	0.14 - 0.36	_____	_____
General & Administrative	0.56	19	0.34 - 0.70	_____	_____
Marketing	0.38	13	0.11 - 0.39	_____	_____
Security	0.13	4	0.02 - 0.14	_____	_____
Insurance	0.11	4	0.05 - 0.10	_____	_____
Taxes	0.73	25	0.40 - 0.95	_____	_____
TOTAL	$2.92	100%	$1.74 - 3.00	$_____	_____

Part 2. Regional Indices–Ratio to U.S. Mean

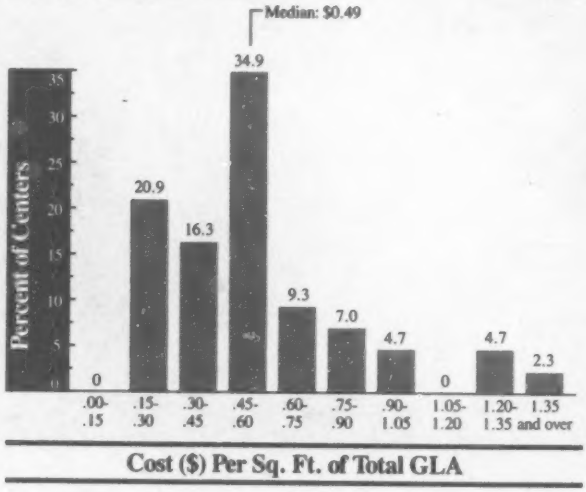
Item	East	Midwest	South	West
Maintenance & Repair	1.22	1.02	0.74	1.08
Common Area Utilities	1.23	1.01	0.86	1.00
General & Administrative	1.05	1.16	0.96	0.81
Marketing	1.52	0.85	0.88	1.01
Security	1 24	0.87	0.90	1.18
Insurance	1.29	0.78	0.83	1.14
Taxes	1.10	1.36	0.73	0.80
TOTAL	1.20	1.09	0.82	0.95

Part 3. Cost Distribution Among Centers in Sample

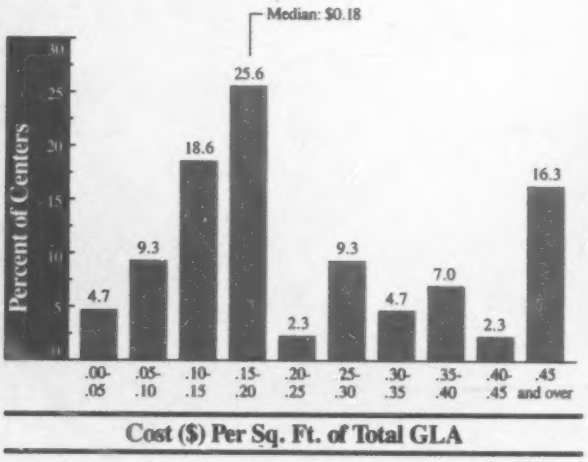
Maintenance & Repair



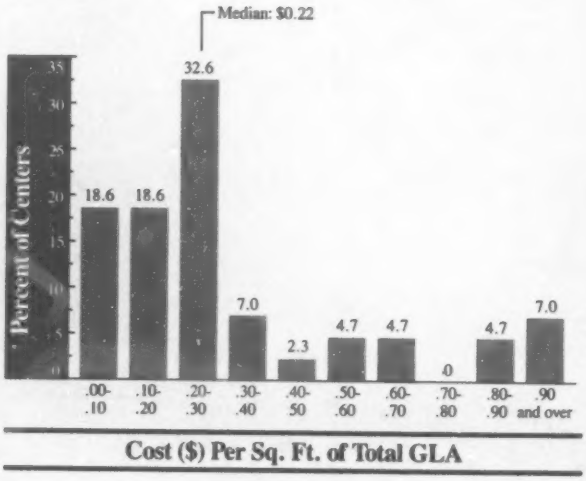
General & Administrative



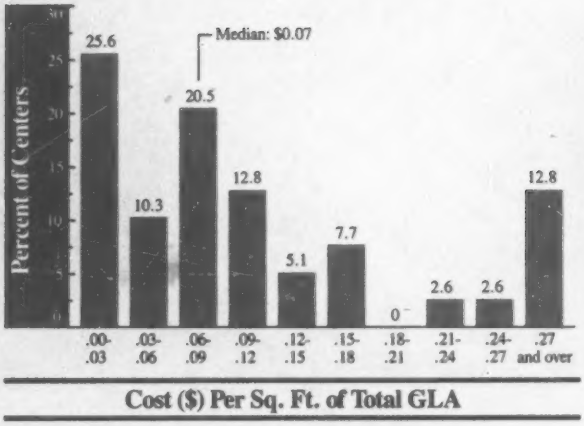
Common Area Utilities



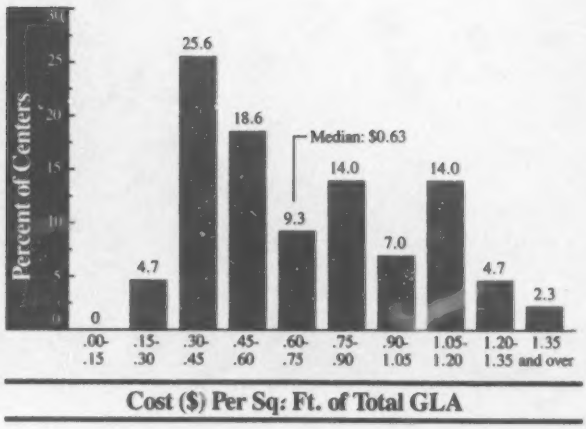
Marketing



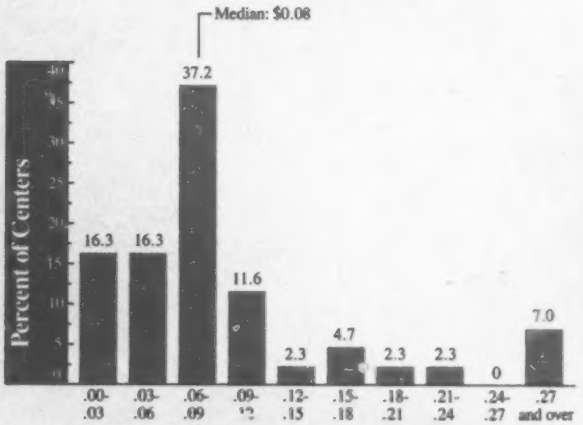
Security



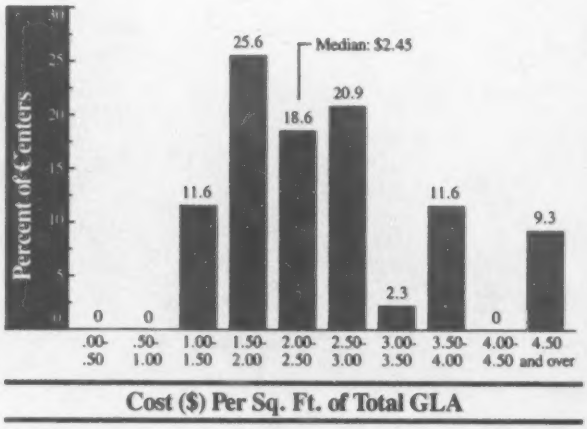
Taxes



Insurance



Total



Part 4. Line Item Expenses–Per Sq. Ft. of Total GLA

Item	No.	Mean($)	Middle Range($)	Your Center($)	Notes
Maintenance & Repair					
Housekeeping	43	$0.27	$0.13 - 0.29	$_____	_____
Elevator/Escalator	5	0.07	0.01 - 0.07	_____	_____
HVAC Equipment	40	0.03	0.01 - 0.03	_____	_____
Landscaping	38	0.07	0.02 - 0.08	_____	_____
Parking Lot	43	0.10	0.03 - 0.08	_____	_____
Snow Removal	27	0.06	0.02 - 0.11	_____	_____
Trash Removal	30	0.04	0.00 - 0.04	_____	_____
Roof Repair	33	0.05	0.01 - 0.03	_____	_____
Common Area Utilities					
HVAC Energy	31	0.18	0.05 - 0.19	_____	_____
Other Utilities	35	0.15	0.02 - 0.16	_____	_____
General & Administrative					
Professional Services	39	0.06	0.02 - 0.05	_____	_____
On-site Payroll & Benefits	40	0.18	0.10 - 0.18	_____	_____
Management Fee	40	0.25	0.14 - 0.32	_____	_____
Leasing Fees	22	0.07	0.01 - 0.06	_____	_____
Marketing					
Advertising	41	0.19	0.06 - 0.21	_____	_____
Promotions/Special Events	37	0.07	0.02 - 0.05	_____	_____
Christmas Decor/Events	31	0.03	0.01 - 0.05	_____	_____
Administrative	33	0.13	0.02 - 0.09	_____	_____
Other Marketing Expenses	18	0.01	0.00 - 0.02	_____	_____
Insurance					
Liability Insurance	30	0.07	0.03 - 0.08	_____	_____
Property Insurance	32	0.06	0.02 - 0.06	_____	_____
Other Insurance	13	0.01	0.00 - 0.01	_____	_____

Part 5. Other Expense Measures

Item	No.	Mean($)	Middle Range($)	Your Center($)	Notes
Housekeeping Expenses per Sq. Ft. of Enclosed Common Area	43	$ 1.96	$1.11 - 2.06	$_____	_____
HVAC Utilities per Sq. Ft. of Enclosed Common Area	31	1.21	0.47 - 1.55	_____	_____
Parking Lot Maintenance & Repair per Parking Space	41	20.97	5.28 - 14.55	_____	_____
Liability Insurance per Sq. Ft. of Center-owned GLA	29	0.08	0.03 - 0.08	_____	_____
Property Insurance per Sq. Ft. of Center-owned GLA	31	0.07	0.02 - 0.07	_____	_____
Taxes per Sq. Ft. of Center-owned GLA	42	0.77	0.41 - 1.06	_____	_____
Food Court Expenses per Sq. Ft. of Food Court GLA	3	3.08	0.88 - 6.97	_____	_____
Marketing Contribution per Sq. Ft. of Total GLA From					
Landlord	39	0.06	0.02 - 0.09	_____	_____
Retail Stores	39	0.22	0.09 - 0.24	_____	_____
Total	42	0.27	0.11 - 0.35	_____	_____

Part 6. Sample Composition

Region	No.	%
East	3	7 %
Midwest	16	37
South	17	40
West	7	16
TOTAL	43	100 %

Location	No.	%
Central City	7	16 %
Suburban	17	40
Small Town	19	44
TOTAL	43	100 %

Age	No.	%
1 to 5 Years	6	14 %
6 to 10 Years	13	30
Over 10 Years	24	56
TOTAL	43	100 %

Renovation & Expansion	No.	%
Renovated Only	6	14 %
Expanded Only	10	23
Renovated & Expanded	8	19
No Renovation or Expansion	19	44
TOTAL	43	100 %

Part 7. Center Characteristics

Center Anchors	Value
Centers Anchored by:	
National Mass Merchandise Stores	56%
Conventional Department Stores	35%
Fashion Department Stores	7%
Discount Department Stores	49%
Other Types of Anchors	44%
Are Not Anchored	2%

Merchandise Orientation	Value
Traditional General Merchandise	79%
Fashion-Oriented	10%
Discount	2%
Off-Price/Factory Outlet	10%
Festival/Theme	0%
Other	0%

Management Characteristics	Value
Centers Managed by Owner, Subsidiary or Affiliate	67%
Centers Leased by Owner, Subsidiary or Affiliate	67%
Centers With a Full-time, On-site Manager	81%
Assistant Manager	9%
Maintenance Director	65%
Security Director	21%
Bookkeeper/Accountant	40%
Mean Number of Full-time On-site Management Personnel	2.3

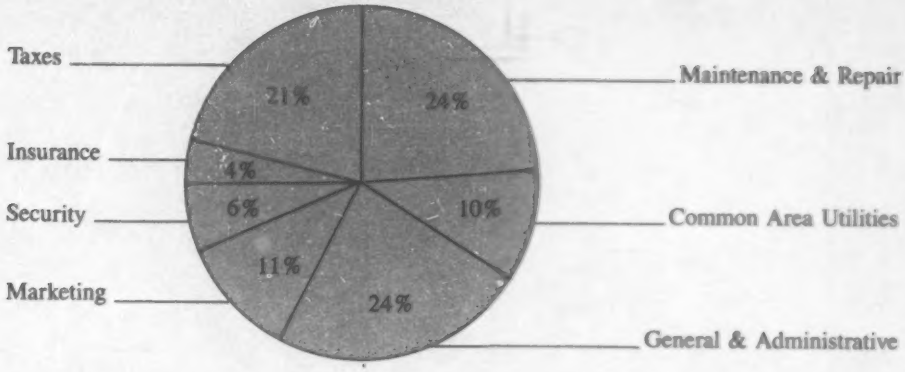
Operating Characteristics	Value
Anchor Uses as Percent of Total GLA	52%
Building Efficiency (Avg. GLA as Percent of GBA)	87%
Number of Retail Levels	
One	91%
Two	5%
Three or More	4%
Centers With Free-standing Stores	56%
Weekly Hours of Operation (Avg. No.)	70
Vacancy Rate	5%
Parking Spaces per 1,000 Sq. Ft. GLA (Avg. No.)	5.9
Centers With Structured Parking	5%
Type of HVAC System	
Central Plant	16%
Package Systems	61%
Centers Covered by Blanket Insurance Policy	30%

Marketing Characteristics	Value
Centers With	
Full-time Marketing Director	42%
Part-time Marketing Director	12%
Centers With	
Merchants' Association	65%
Marketing Fund	35%
Neither One	0%

Food Court Characteristics	Value
Centers With Food Court	12%
Number of Vendors (Avg. No.)	7
Sq. Ft. GLA (Avg. No.)	4,063
Common Area Seating (Avg. No.)	191

Enclosed Malls: 400,000–799,999 Sq. Ft.

(63 Centers in Sample)



Part 1. Operating Expenses–Per Sq. Ft. of Total GLA

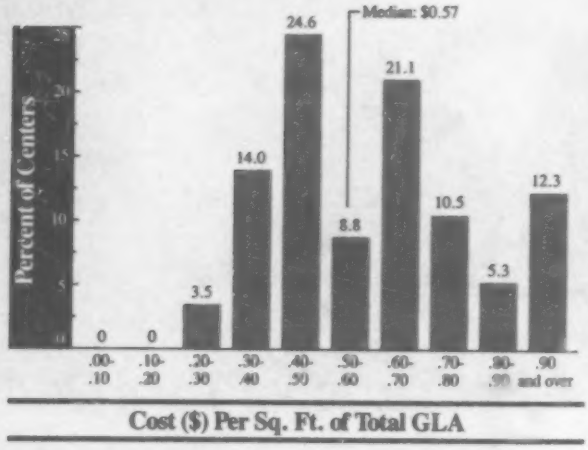
Item	Mean Amt.($)	Mean %	Middle Range($)	Your Center($)	Notes
Maintenance & Repair	$0.61	24%	$0.41 - 0.71	$_____	_____
Common Area Utilities	0.26	10	0.13 - 0.26	_____	_____
General & Administrative	0.62	24	0.34 - 0.64	_____	_____
Marketing	0.29	11	0.21 - 0.35	_____	_____
Security	0.15	6	0.09 - 0.22	_____	_____
Insurance	0.10	4	0.06 - 0.12	_____	_____
Taxes	0.55	21	0.28 - 0.68	_____	_____
TOTAL	$2.57	100%	$1.91 - 2.89	$_____	_____

Part 2. Regional Indices–Ratio to U.S. Mean

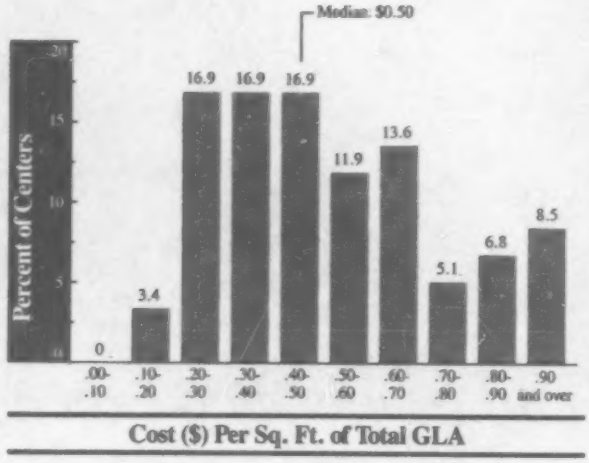
Item	East	Midwest	South	West
Maintenance & Repair	1.22	1.02	0.74	1.08
Common Area Utilities	1.23	1.01	0.86	1.00
General & Administrative	1.05	1.16	0.96	0.81
Marketing	1.52	0.85	0.88	1.01
Security	1.24	0.87	0.90	1.18
Insurance	1.29	0.78	0.83	1.14
Taxes	1.10	1.36	0.73	0.80
TOTAL	1.20	1.09	0.82	0.95

Part 3. Cost Distribution Among Centers in Sample

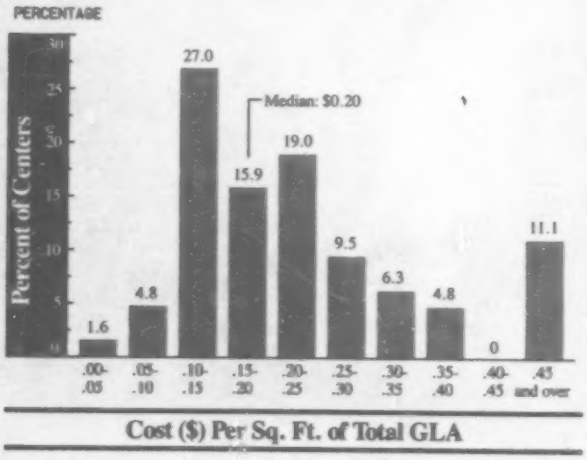
Maintenance & Repair



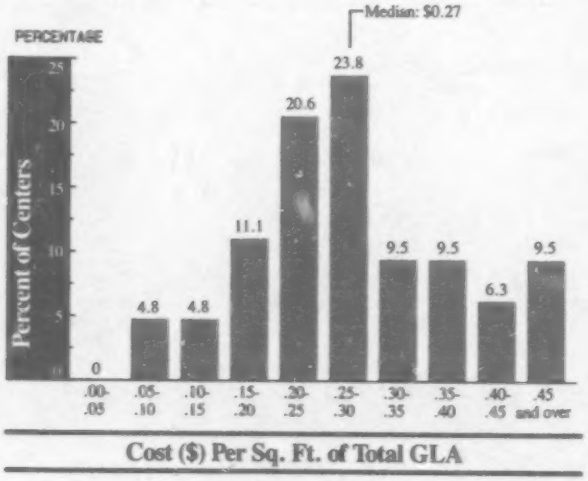
General & Administrative



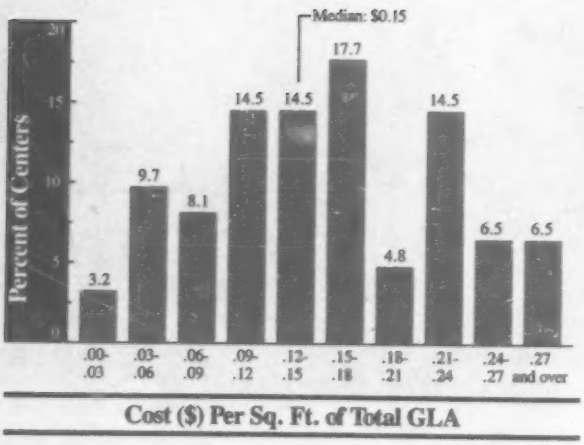
Common Area Utilities



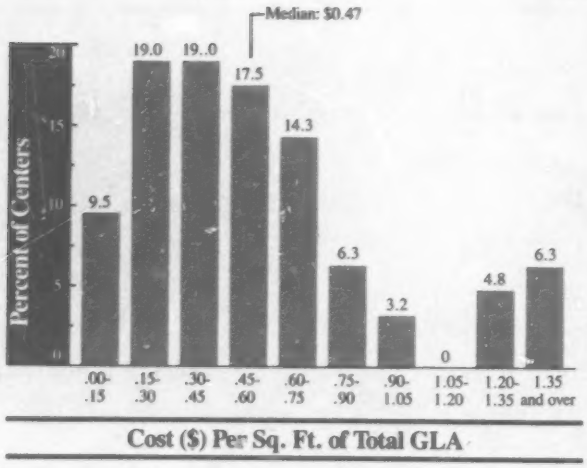
Marketing



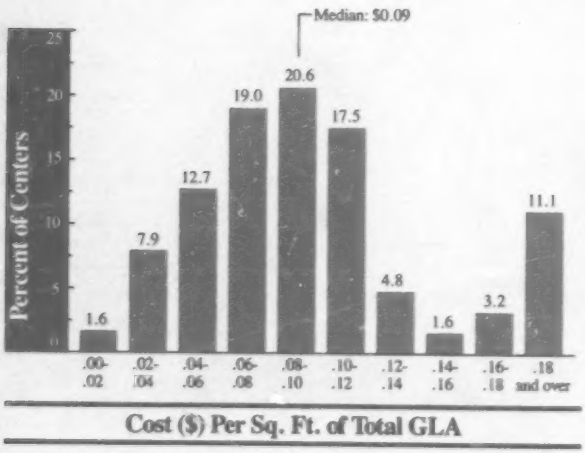
Security



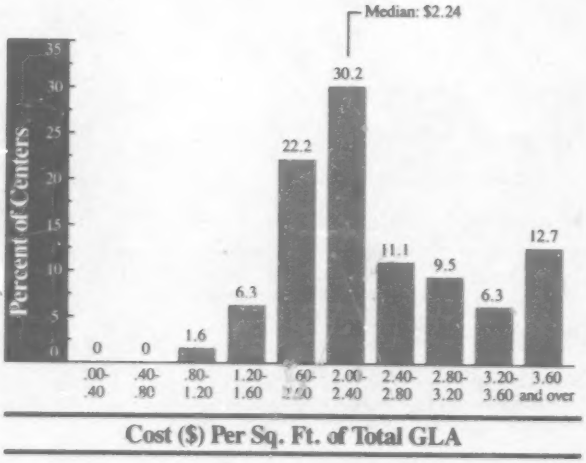
Taxes



Insurance



Total



Part 4. Line Item Expenses—Per Sq. Ft. of Total GLA

Item	No.	Mean($)	Middle Range($)	Your Center($)	Notes
Maintenance & Repair					
Housekeeping	61	$0.26	$0.17 - 0.30	$_____	_____
Elevator/Escalator	22	0.03	0.01 - 0.03	_____	_____
HVAC Equipment	59	0.03	0.01 - 0.04	_____	_____
Landscaping	60	0.06	0.02 - 0.08	_____	_____
Parking Lot	62	0.06	0.03 - 0.07	_____	_____
Snow Removal	39	0.04	0.01 - 0.05	_____	_____
Trash Removal	48	0.03	0.01 - 0.05	_____	_____
Roof Repair	50	0.03	0.00 - 0.03	_____	_____
Common Area Utilities					
HVAC Energy	58	0.16	0.06 - 0.17	_____	_____
Other Utilities	60	0.11	0.04 - 0.12	_____	_____
General & Administrative					
Professional Services	61	0.05	0.02 - 0.06	_____	_____
On-site Payroll & Benefits	61	0.15	0.09 - 0.19	_____	_____
Management Fee	54	0.24	0.14 - 0.32	_____	_____
Leasing Fees	27	0.09	0.01 - 0.14	_____	_____
Marketing					
Advertising	62	0.13	0.09 - 0.17	_____	_____
Promotions/Special Events	58	0.05	0.02 - 0.06	_____	_____
Christmas Decor/Events	58	0.03	0.01 - 0.04	_____	_____
Administrative	61	0.07	0.05 - 0.09	_____	_____
Other Marketing Expenses	51	0.02	0.00 - 0.02	_____	_____
Insurance					
Liability Insurance	55	0.06	0.02 - 0.08	_____	_____
Property Insurance	58	0.04	0.02 - 0.05	_____	_____
Other Insurance	40	0.01	0.00 - 0.01	_____	_____

Part 5. Other Expense Measures

Item	No.	Mean($)	Middle Range($)	Your Center($)	Notes
Housekeeping Expenses per Sq. Ft. of Enclosed Common Area	61	$ 2.03	$1.34 - 2.42	$_____	_____
HVAC Utilities per Sq. Ft. of Enclosed Common Area	58	1.31	0.52 - 1.34	_____	_____
Parking Lot Maintenance & Repair per Parking Space	61	11.37	5.79 - 12.91	_____	_____
Liability Insurance per Sq. Ft. of Center-owned GLA	55	0.10	0.02 - 0.12	_____	_____
Property Insurance per Sq. Ft. of Center-owned GLA	58	0.05	0.03 - 0.07	_____	_____
Taxes per Sq. Ft. of Center-owned GLA	63	0.81	0.38 - 1.10	_____	_____
Food Court Expenses per Sq. Ft. of Food Court GLA	15	6.10	3.06 - 7.68	_____	_____
Marketing Contribution per Sq. Ft. of Total GLA From					
Landlord	56	0.07	0.04 - 0.08	_____	_____
Retail Stores	56	0.20	0.15 - 0.23	_____	_____
Total	60	0.27	0.20 - 0.31	_____	_____

Part 6. Sample Composition

Region	No.	%
East	13	21 %
Midwest	17	27
South	13	21
West	20	32
TOTAL	63	100 %

Location	No.	%
Central City	16	25 %
Suburban	37	59
Small Town	10	16
TOTAL	63	100 %

Age	No.	%
1 to 5 Years	7	11 %
6 to 10 Years	17	27
Over 10 Years	39	62
TOTAL	63	100 %

Renovation & Expansion	No.	%
Renovated Only	12	19 %
Expanded Only	13	21
Renovated & Expanded	9	14
No Renovation or Expansion	29	46
TOTAL	63	100 %

Part 7. Center Characteristics

Center Anchors	Value
Centers Anchored by:	
National Mass Merchandise Stores	86%
Conventional Department Stores	67%
Fashion Department Stores	5%
Discount Department Stores	10%
Other Types of Anchors	16%
Are Not Anchored	2%

Merchandise Orientation	Value
Traditional General Merchandise	83%
Fashion-Oriented	16%
Discount	2%
Off-Price/Factory Outlet	0%
Festival/Theme	0%
Other	0%

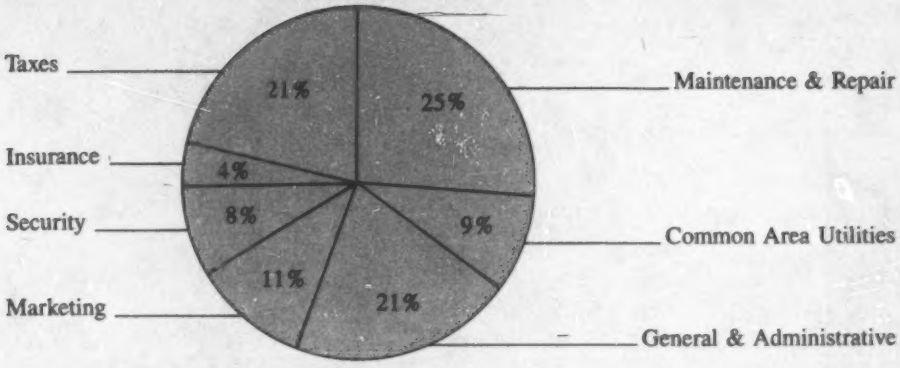
Management Characteristics	Value
Centers Managed by Owner, Subsidiary or Affiliate	89%
Centers Leased by Owner, Subsidiary or Affiliate	87%
Centers With a Full-time, On-site Manager	92%
Assistant Manager	19%
Maintenance Director	90%
Security Director	62%
Bookkeeper/Accountant	59%
Mean Number of Full-time On-site Management Personnel	3.4

Operating Characteristics	Value
Anchor Uses as Percent of Total GLA	54%
Building Efficiency (Avg. GLA as Percent of GBA)	88%
Number of Retail Levels	
One	74%
Two	22%
Three or More	4%
Centers With Free-standing Stores	45%
Weekly Hours of Operation (Avg. No.)	69
Vacancy Rate	5%
Parking Spaces per 1,000 Sq. Ft. GLA (Avg. No.)	5.7
Centers With Structured Parking	11%
Type of HVAC System	
Central Plant	28%
Package Systems	57%
Centers Covered by Blanket Insurance Policy	18%

Marketing Characteristics	Value
Centers With	
Full-time Marketing Director	87%
Part-time Marketing Director	10%
Centers With	
Merchants' Association	74%
Marketing Fund	24%
Neither One	2%

Food Court Characteristics	Value
Centers With Food Court	30%
Number of Vendors (Avg. No.)	11
Sq. Ft. GLA (Avg. No.)	4,988
Common Area Seating (Avg. No.)	254

Enclosed Malls: 800,000 Sq. Ft. and Over
(70 Centers in Sample)



Part 1. Operating Expenses–Per Sq. Ft. of Total GLA

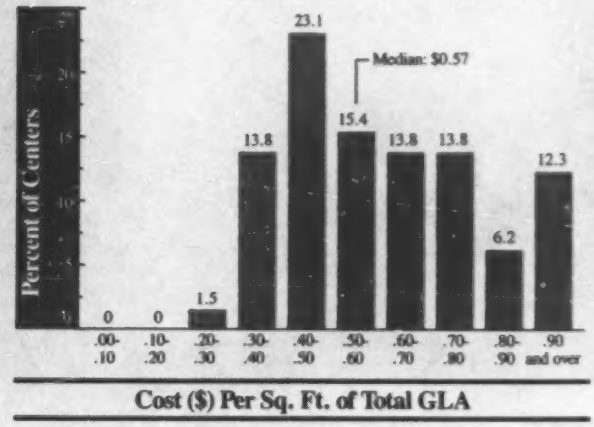
Item	Mean Amt.($)	Mean %	Middle Range($)	Your Center($)	Notes
Maintenance & Repair	$0.63	25%	$0.46 - 0.73	$_____	_____
Common Area Utilities	0.22	9	0.14 - 0.29	_____	_____
General & Administrative	0.53	21	0.36 - 0.57	_____	_____
Marketing	0.28	11	0.22 - 0.33	_____	_____
Security	0.19	8	0.12 - 0.22	_____	_____
Insurance	0.10	4	0.05 - 0.12	_____	_____
Taxes	0.53	21	0.35 - 0.65	_____	_____
TOTAL	$2.48	100%	$1.98 - 2.77	$_____	_____

Part 2. Regional Indices–Ratio to U.S. Mean

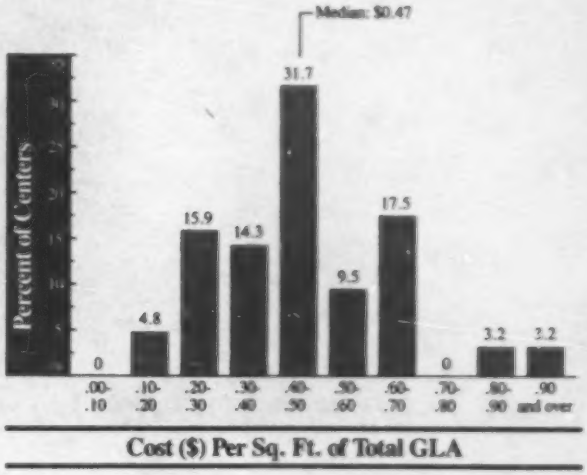
Item	East	Midwest	South	West
Maintenance & Repair	1.22	1.02	0.74	1.08
Common Area Utilities	1.23	1.01	0.86	1.00
General & Administrative	1.05	1.16	0.96	0.81
Marketing	1.52	0.85	0.88	1.01
Security	1.24	0.87	0.90	1.18
Insurance	1.29	0.78	0.83	1.14
Taxes	1.10	1.36	0.73	0.80
TOTAL	1.20	1.09	0.82	0.95

Part 3. Cost Distribution Among Centers in Sample

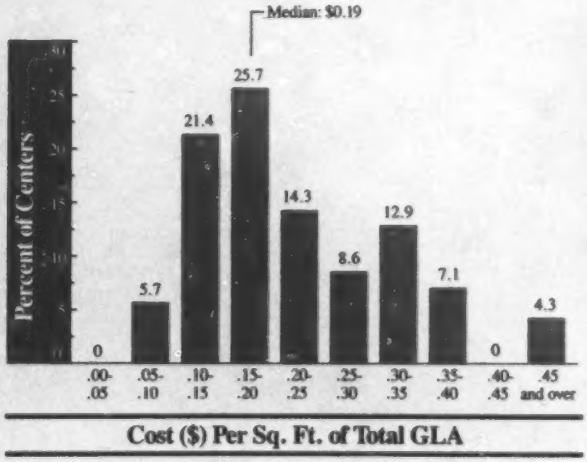
Maintenance & Repair



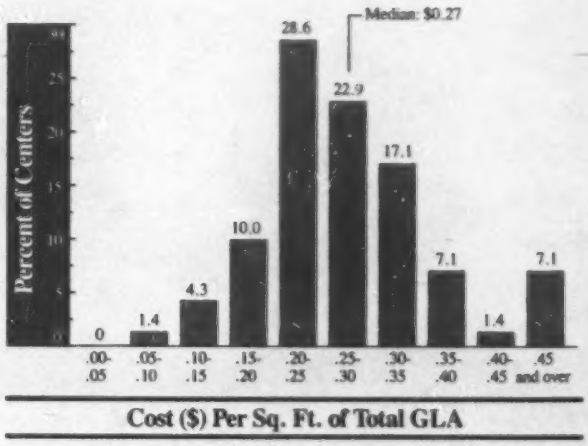
General & Administrative



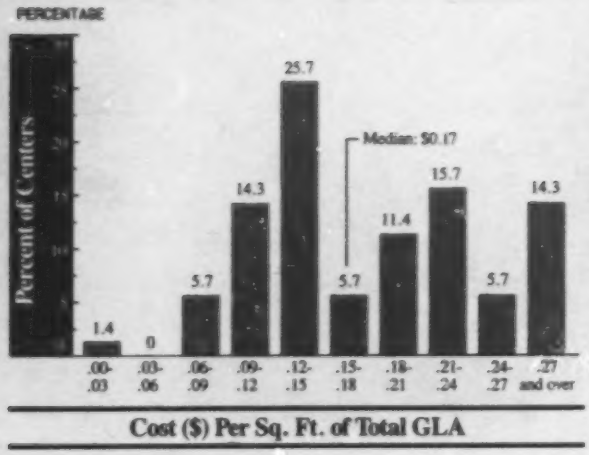
Common Area Utilities



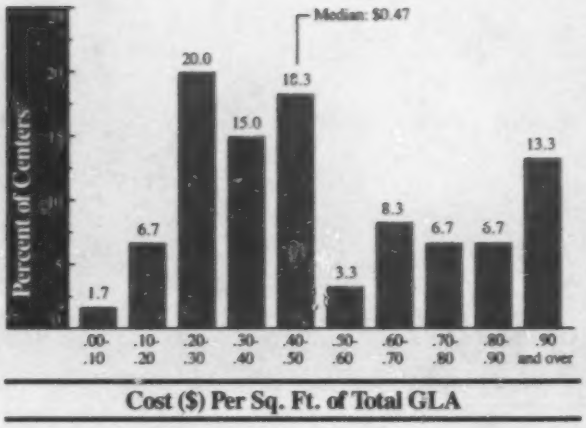
Marketing



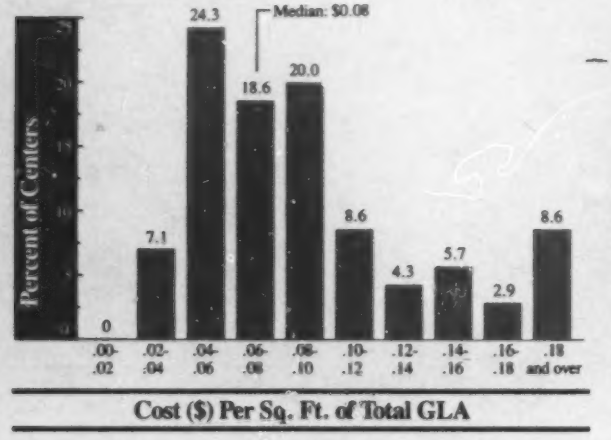
Security



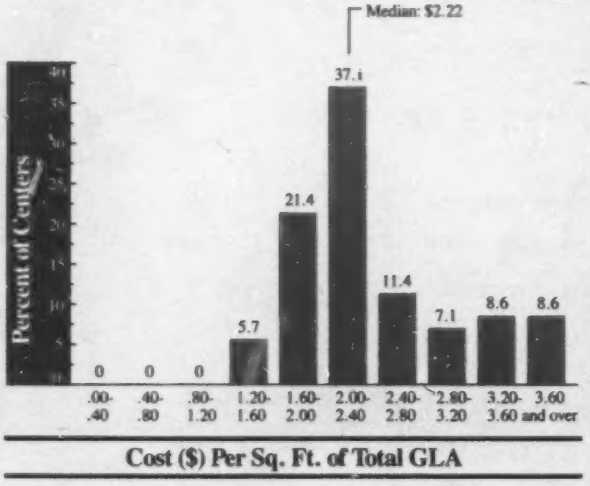
Taxes



Insurance



Total



Part 4. Line Item Expenses–Per Sq. Ft. of Total GLA

Item	No.	Mean($)	Middle Range($)	Your Center($)	Notes
Maintenance & Repair					
Housekeeping	70	$0.25	$0.19 - 0.31	$_____	_____
Elevator/Escalator	43	0.02	0.02 - 0.03	_____	_____
HVAC Equipment	66	0.03	0.01 - 0.03	_____	_____
Landscaping	70	0.07	0.04 - 0.10	_____	_____
Parking Lot	68	0.07	0.03 - 0.10	_____	_____
Snow Removal	43	0.03	0.01 - 0.06	_____	_____
Trash Removal	44	0.02	0.00 - 0.04	_____	_____
Roof Repair	57	0.03	0.00 - 0.03	_____	_____
Common Area Utilities					
HVAC Energy	61	0.12	0.05 - 0.16	_____	_____
Other Utilities	66	0.12	0.05 - 0.17	_____	_____
General & Administrative					
Professional Services	68	0.04	0.02 - 0.05	_____	_____
On-site Payroll & Benefits	67	0.12	0.08 - 0.15	_____	_____
Management Fee	61	0.22	0.16 - 0.29	_____	_____
Leasing Fees	28	0.10	0.04 - 0.13	_____	_____
Marketing					
Advertising	69	0.14	0.09 - 0.15	_____	_____
Promotions/Special Events	67	0.05	0.03 - 0.07	_____	_____
Christmas Decor/Events	66	0.03	0.02 - 0.04	_____	_____
Administrative	66	0.07	0.05 - 0.07	_____	_____
Other Marketing Expenses	54	0.02	0.00 - 0.02	_____	_____
Insurance					
Liability Insurance	62	0.06	0.03 - 0.07	_____	_____
Property Insurance	59	0.03	0.01 - 0.04	_____	_____
Other Insurance	45	0.01	0.00 - 0.01	_____	_____

Part 5. Other Expense Measures

Item	No.	Mean($)	Middle Range($)	Your Center($)	Notes
Housekeeping Expenses per Sq. Ft. of Enclosed Common Area	70	$ 2.37	$1.40 - 2.76	$_____	_____
HVAC Utilities per Sq. Ft. of Enclosed Common Area	61	0.92	0.43 - 1.15	_____	_____
Parking Lot Maintenance & Repair per Parking Space	67	12.61	5.03 - 17.63	_____	_____
Liability Insurance per Sq. Ft. of Center-owned GLA	62	0.38	0.07 - 0.18	_____	_____
Property Insurance per Sq. Ft. of Center-owned GLA	59	0.10	0.03 - 0.09	_____	_____
Taxes per Sq. Ft. of Center-owned GLA	70	1.73	0.71 - 1.78	_____	_____
Food Court Expenses per Sq. Ft. of Food Court GLA	29	10.81	5.69 - 14.11	_____	_____
Marketing Contribution per Sq. Ft. of Total GLA From					
Landlord	66	0.06	0.04 - 0.07	_____	_____
Retail Stores	66	0.20	0.15 - 0.21	_____	_____
Total	68	0.26	0.19 - 0.28	_____	_____

Part 6. Sample Composition

Region	No.	%
East	16	23 %
Midwest	15	21
South	21	30
West	18	26
TOTAL	70	100 %

Location	No.	%
Central City	12	17 %
Suburban	56	80
Small Town	2	3
TOTAL	70	100 %

Age	No.	%
1 to 5 Years	8	11 %
6 to 10 Years	15	21
Over 10 Years	47	67
TOTAL	70	100 %

Renovation & Expansion	No.	%
Renovated Only	5	7 %
Expanded Only	18	26
Renovated & Expanded	24	34
No Renovation or Expansion	23	33
TOTAL	70	100 %

Part 7. Center Characteristics

Center Anchors	Value
Centers Anchored by:	
National Mass Merchandise Stores	93%
Conventional Department Stores	86%
Fashion Department Stores	17%
Discount Department Stores	1%
Other Types of Anchors	10%
Are Not Anchored	0%

Merchandise Orientation	Value
Traditional General Merchandise	78%
Fashion-Oriented	22%
Discount	0%
Off-Price/Factory Outlet	0%
Festival/Theme	0%
Other	0%

Management Characteristics	Value
Centers Managed by Owner, Subsidiary or Affiliate	79%
Centers Leased by Owner, Subsidiary or Affiliate	7?%
Centers With a Full-time, On-site Manager	97%
Assistant Manager	54%
Maintenance Director	96%
Security Director	87%
Bookkeeper/Accountant	51%
Mean Number of Full-time On-site Management Personnel	4.2

Operating Characteristics	Value
Anchor Uses as Percent of Total GLA	60%
Building Efficiency (Avg. GLA as Percent of GBA)	88%
Number of Retail Levels	
One	53%
Two	42%
Three or More	4%
Centers With Free-standing Stores	59%
Weekly Hours of Operation (Avg. No.)	70
Vacancy Rate	2%
Parking Spaces per 1,000 Sq. Ft. GLA (Avg. No.)	5.3
Centers With Structured Parking	11%
Type of HVAC System	
Central Plant	37%
Package Systems	62%
Centers Covered by Blanket Insurance Policy	12%

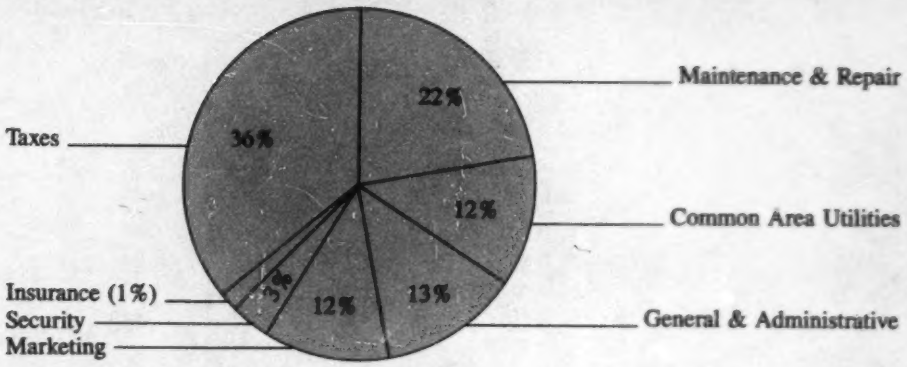
Marketing Characteristics	Value
Centers With	
Full-time Marketing Director	94%
Part-time Marketing Director	4%
Centers With	
Merchants' Association	74%
Marketing Fund	24%
Neither One	1%

Food Court Characteristics	Value
Centers With Food Court	43%
Number of Vendors (Avg. No.)	13
Sq. Ft. [illegible] (Avg. No.)	8,485
[illegible] a Seating (Avg. No.)	417

Enclosed Malls: Canada

Enclosed Malls: Canada

(42 Centers in Sample)

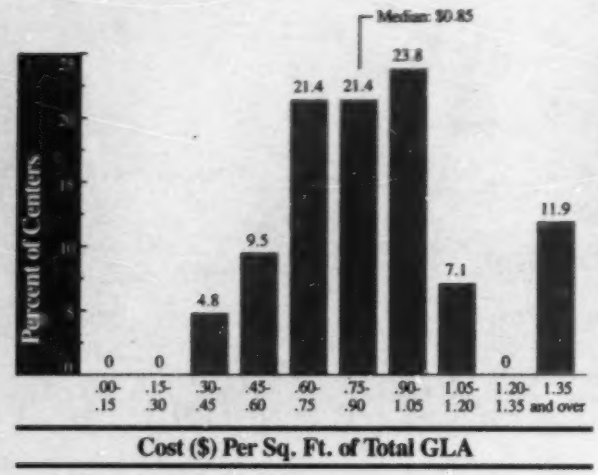


Part 1. Operating Expenses–Per Sq. Ft. of Total GLA

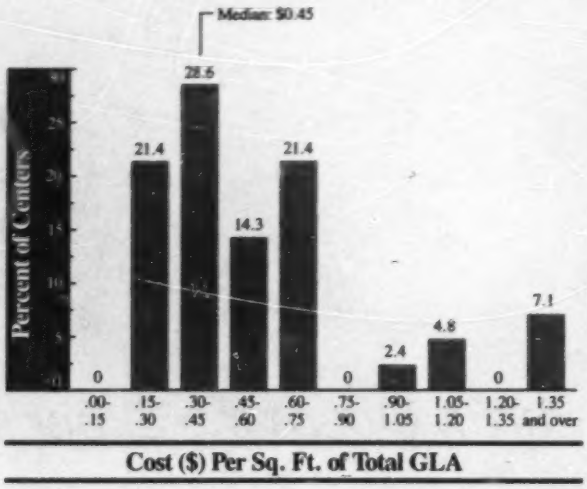
Item	Mean Amt.($)	Mean %	Middle Range($)	Your Center($)	Notes
Maintenance & Repair	$0.97	22%	$0.68 - 1.00	$_____	_____
Common Area Utilities	0.53	12	0.26 - 0.73	_____	_____
General & Administrative	0.58	13	0.32 - 0.65	_____	_____
Marketing	0.52	12	0.29 - 0.70	_____	_____
Security	0.14	3	0.08 - 0.18	_____	_____
Insurance	0.06	1	0.04 - 0.07	_____	_____
Taxes	1.60	36	0.97 - 2.08	_____	_____
TOTAL	$4.41	100%	$3.05 - 4.93	$_____	_____

Part 3. Cost Distribution Among Centers in Sample

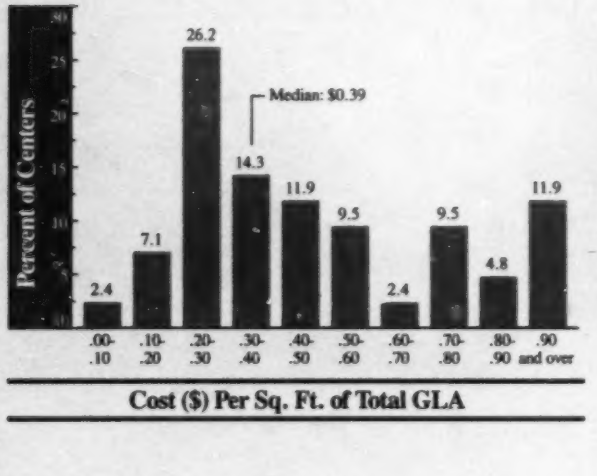
Maintenance & Repair



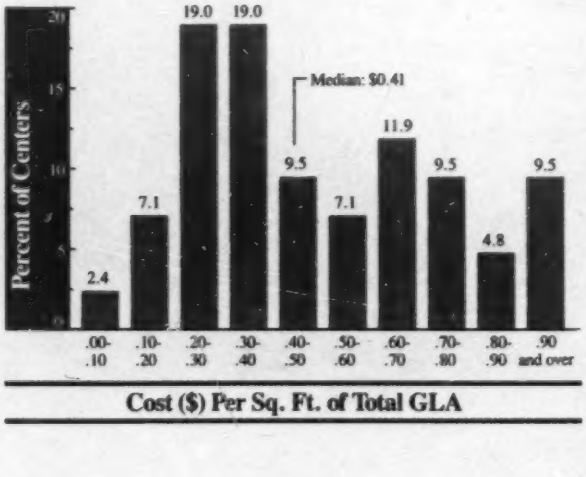
General & Administrative



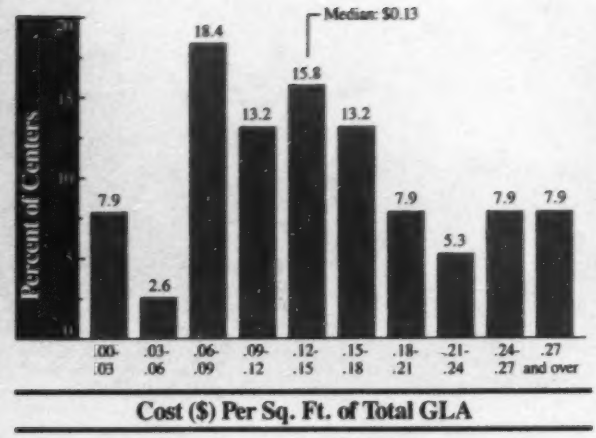
Common Area Utilities



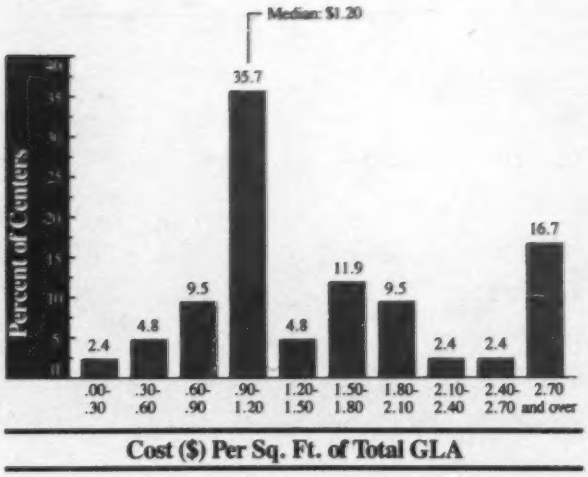
Marketing



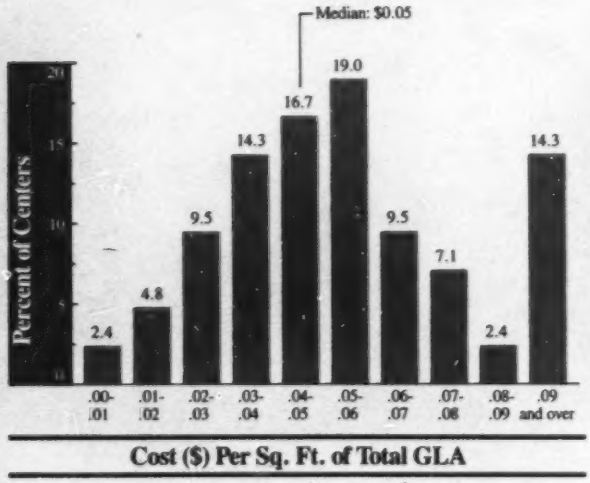
Security



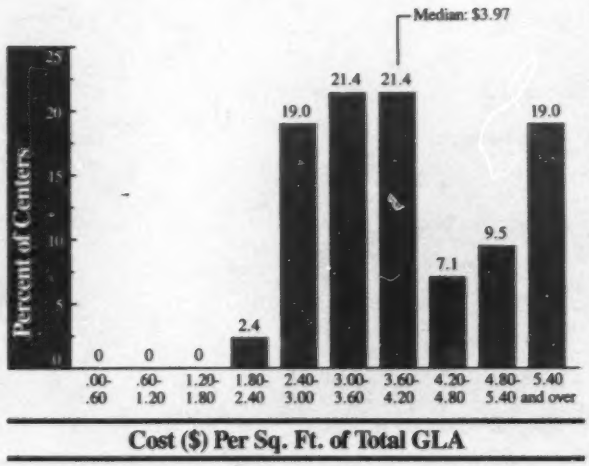
Taxes



Insurance



Total



Part 4. Line Item Expenses–Per Sq. Ft. of Total GLA

Item	No.	Mean($)	Middle Range($)	Your Center($)	Notes
Maintenance & Repair					
Housekeeping	42	$0.33	$0.20 - 0.44	$_____	_____
Elevator/Escalator	17	0.05	0.01 - 0.05	_____	_____
HVAC Equipment	41	0.09	0.04 - 0.10	_____	_____
Landscaping	35	0.02	0.01 - 0.04	_____	_____
Parking Lot	38	0.08	0.03 - 0.11	_____	_____
Snow Removal	42	0.13	0.05 - 0.20	_____	_____
Trash Removal	40	0.03	0.01 - 0.04	_____	_____
Roof Repair	21	0.03	0.01 - 0.04	_____	_____
Common Area Utilities					
HVAC Energy	38	0.30	0.09 - 0.32	_____	_____
Other Utilities	39	0.26	0.08 - 0.35	_____	_____
General & Administrative					
Professional Services	33	0.04	0.02 - 0.05	_____	_____
On-site Payroll & Benefits	34	0.20	0.13 - 0.24	_____	_____
Management Fee	29	0.41	0.24 - 0.43	_____	_____
Leasing Fees	6	0.05	0.03 - 0.07	_____	_____
Marketing					
Advertising	39	0.29	0.16 - 0.43	_____	_____
Promotions/Special Events	40	0.12	0.05 - 0.20	_____	_____
Christmas Decor/Events	37	0.06	0.03 - 0.07	_____	_____
Administrative	32	0.08	0.03 - 0.10	_____	_____
Other Marketing Expenses	22	0.03	0.01 - 0.02	_____	_____
Insurance					
Liability Insurance	30	0.02	0.01 - 0.03	_____	_____
Property Insurance	30	0.04	0.02 - 0.05	_____	_____
Other Insurance	25	0.01	0.00 - 0.01	_____	_____

Part 5. Other Expense Measures

Item	No.	Mean($)	Middle Range($)	Your Center($)	Notes
Housekeeping Expenses per Sq. Ft. of Enclosed Common Area	42	$ 2.80	$1.51 - 2.60	$_____	_____
HVAC Utilities per Sq. Ft. of Enclosed Common Area	38	2.54	0.57 - 3.59	_____	_____
Parking Lot Maintenance & Repair per Parking Space	38	17.91	4.91 - 23.53	_____	_____
Liability Insurance per Sq. Ft. of Center-owned GLA	30	0.03	0.01 - 0.03	_____	_____
Property Insurance per Sq. Ft. of Center-owned GLA	30	0.05	0.03 - 0.06	_____	_____
Taxes per Sq. Ft. of Center-owned GLA	42	2.06	1.11 - 2.13	_____	_____
Food Court Expenses per Sq. Ft. of Food Court GLA	10	15.49	8.64 - 16.94	_____	_____
Marketing Contribution per Sq. Ft. of Total GLA From					
Landlord	37	0.16	0.06 - 0.14	_____	_____
Retail Stores	37	0.38	0.21 - 0.48	_____	_____
Total	42	0.50	0.28 - 0.64	_____	_____

Part 6. Sample Composition

Size	No.	%
Less Than 200,000 Sq. Ft.	14	33 %
200,000 to 399,999 Sq. Ft.	14	33
400,000 to 799,999 Sq. Ft.	11	26
800,000 Sq. Ft. and Over	3	7
TOTAL	42	100 %

Location	No.	%
Central City	11	26 %
Suburban	21	50
Small Town	10	24
TOTAL	42	100 %

Age	No.	%
1 to 5 Years	3	7 %
6 to 10 Years	12	29
Over 10 Years	27	64
TOTAL	42	100 %

Renovation & Expansion	No.	%
Renovated Only	2	5 %
Expanded Only	6	14
Renovated & Expanded	19	45
No Renovation or Expansion	15	36
TOTAL	42	100 %

Part 7. Center Characteristics

Center Anchors	Value
Centers Anchored by:	
National Mass Merchandise Stores	29%
Conventional Department Stores	26%
Fashion Department Stores	2%
Discount Department Stores	52%
Other Types of Anchors	52%
Are Not Anchored	5%

Merchandise Orientation	Value
Traditional General Merchandise	62%
Fashion-Oriented	26%
Discount	7%
Off-Price/Factory Outlet	5%
Festival/Theme	0%
Other	0%

Management Characteristics	Value
Centers Managed by Owner, Subsidiary or Affiliate	74%
Centers Leased by Owner, Subsidiary or Affiliate	74%
Centers With a Full-time, On-site Manager	69%
Assistant Manager	19%
Maintenance Director	69%
Security Director	29%
Bookkeeper/Accountant	38%
Mean Number of Full-time On-site Management Personnel	2

Operating Characteristics	Value
Anchor Uses as Percent of Total GLA	51%
Building Efficiency (Avg. GLA as Percent of GBA)	83%
Number of Retail Levels	
One	81%
Two	14%
Three or More	5%
Centers With Free-standing Stores	24%
Weekly Hours of Operation (Avg. No.)	62
Vacancy Rate	6%
Parking Spaces per 1,000 Sq. Ft. GLA (Avg. No.)	4.9
Centers With Structured Parking	14%
Type of HVAC System	
Central Plant	33%
Package Systems	50%
Centers Covered by Blanket Insurance Policy	86%

Marketing Characteristics	Value
Centers With	
Full-time Marketing Director	45%
Part-time Marketing Director	17%
Centers With	
Merchants' Association	90%
Marketing Fund	10%
Neither One	0%

Food Court Characteristics	Value
Centers With Food Court	36%
Number of Vendors (Avg. No.)	8
Sq. Ft. GLA (Avg. No.)	3,319
Common Area Seating (Avg. No.)	296